IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648
Debtors.	(Jointly Administered)

AMENDED DISCLOSURE STATEMENT FOR THE AMENDED JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

A SOLICITATION OF VOTES IS BEING CONDUCTED TO OBTAIN SUFFICIENT ACCEPTANCES OF THE AMENDED JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

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Dated: September 1, 2020

Counsel for the Debtors and Debtors in Possession

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, ar e: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatm ent Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT[2]

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS OR INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PROPOSED BY THE DEBTORS. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY PERSON OR ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VIII HEREIN.

THE PLAN IS SUPPORTED BY THE DEBTORS AND THE CONSENTING LENDERS WHO ARE PARTY TO THE RESTRUCTURING SUPPORT AGREEMENT, AND HOLD MORE THAN 89% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE SENIOR LENDER CLAIMS AND IN EXCESS OF 60% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE JUNIOR LENDER CLAIMS. HOWEVER, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS APPOINTED IN THE DEBTORS' CASES DOES NOT SUPPORT THE PLAN, WHICH IN ITS CURRENT FORM PROVIDES NO RECOVERY TO CLASS 5 GENERAL UNSECURED CLAIMS. THE COMMITTEE RECOMMENDS THAT CLASS 5 GENERAL UNSECURED CREDITORS RETURN BALLOTS REJECTING THE PLAN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, ACCOUNTING, BUSINESS OR OTHER ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE,

[2] Capitalized terms used but not defined in this disclaimer shall have the meaning ascribed to them elsewhere in this Disclosure Statement.

THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS, IN ALL MATERIAL RESPECTS, THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS HAVE NOT AUTHORIZED ANY PERSON OR ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO VOTE TO REJECT THE PLAN, OR THOSE HOLDERS OF CLAIMS OR INTERESTS WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE XI OF THE PLAN. THERE IS NO ASSURANCE THAT THE

PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

SUMMARIES OF THE PLAN AND THE OTHER STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS ANNEXED TO THIS DISCLOSURE STATEMENT OR OTHERWISE INCORPORATED HEREIN BY REFERENCE ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THOSE DOCUMENTS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THERE IS NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR IN ACCORDANCE WITH APPLICABLE LAW, THE DEBTORS ARE UNDER NO DUTY TO UPDATE OR SUPPLEMENT THIS DISCLOSURE STATEMENT.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING VOTES FOR, AND CONFIRMATION OF, THE PLAN AND MAY NOT BE RELIED ON FOR ANY OTHER PURPOSE. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN, THE RELEVANT PROVISIONS OF THE PLAN WILL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE.

THE SECURITIES THAT MAY BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL HAVE NOT BEEN REGISTERED UNDER THE SECURITIES AT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE ("BLUE SKY LAWS") OR ANY OTHER JURISDICTION. THE PLAN AND THIS DISCLOSURE STATEMENT HAVE NEITHER BEEN FILED WITH, NOR APPROVED OR DISAPPROVED BY, THE SEC OR ANY STATE SECURITIES COMMISSION. NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBTORS ARE RELYING ON THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND EQUIVALENT STATE LAW REGISTRATION REQUIREMENTS PROVIDED BY SECTION 1145(A)(1) OF THE BANKRUPTCY CODE WITH RESPECT TO THE OFFERING AND ISSUANCE OF NEW SECURITIES PURSUANT TO THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF UNITED STATES SECURITIES LAWS. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A STATEMENT OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "ESTIMATE," "BELIEVE," "DESIGNED," "INTEND," "PLAN," "GOAL," OR "CONTINUE," OR THE NEGATIVE THEREOF, OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. YOU ARE CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD LOOKING STATEMENTS, INCLUDING THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO REDUCE THEIR OVERALL FINANCIAL LEVERAGE; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESSES DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; CURRENCY FLUCTUATIONS; INTEREST RATE FLUCTUATIONS; PRICE INCREASES; EXPOSURE TO LITIGATION; A DECLINE IN THE DEBTORS' MARKET SHARE DUE TO COMPETITION OR PRICE PRESSURE BY CUSTOMERS; FINANCIAL CONDITIONS OF THE DEBTORS' CUSTOMERS; ADVERSE TAX CHANGES; LIMITED ACCESS TO CAPITAL RESOURCES; CHANGES IN DOMESTIC LAWS AND REGULATIONS; TRADE BALANCE; NATURAL DISASTERS; GEOPOLITICAL INSTABILITY; THE EFFECTS OF GOVERNMENTAL REGULATION ON THE

DEBTORS' BUSINESSES; AND THOSE ADDITIONAL RISKS SET FORTH IN ARTICLE VIII OF THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS".

CONFIRMATION AND CONSUMMATION OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED IN ARTICLE XI OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED OR, IF CONFIRMED, THAT SUCH MATERIAL CONDITIONS PRECEDENT WILL BE SATISFIED OR WAIVED. YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING BUT NOT LIMITED TO THE PLAN AND ARTICLE VIII OF THIS DISCLOSURE STATEMENT ENTITLED "RISK FACTORS," BEFORE SUBMITTING YOUR BALLOT TO VOTE TO ACCEPT OR REJECT THE PLAN.

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[3] Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

AAC Holdings, Inc., a Nevada corporation, along with certain of its affiliates and subsidiaries (collectively, the "Debtors" or "AAC") submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Plan"), dated September 1, 2020.[4] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

II. OVERVIEW OF PLAN TRANSACTIONS

The Plan contemplates the following alternative plan structures: (1) if, in accordance with the Bidding Procedures, the Debtors receive a successful bid with respect to a sale of all or substantially all of the Debtors' assets that would satisfy in full, in Cash, all Allowed Administrative Claims, Priority Claims, Other Secured Claims, DIP Lender Claims, Senior Lender Claims and Junior Lender Claims (or such lesser amount of Junior Lender Claims as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion), then such sale transaction (the "Entire Company Asset Sale") shall be consummated and implemented through the Plan with creditors to receive the net proceeds from such sale transaction on the Effective Date as set forth herein; or (2) alternatively, if the Debtors' sales process does not result in a bid for all or substantially all of the Debtors' assets that is sufficient to satisfy in full, in Cash, all Allowed Administrative Claims, Priority Claims, Other Secured Claims, DIP Lender Claims, Senior Lender Claims and Junior Lender Claims (or such lesser amount of Junior Lender Claims as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion), then a stand-alone reorganization (the "Reorganization Transaction") will be consummated and implemented as set forth in the Plan with creditors receiving those distributions set forth herein. The Reorganization Transaction may include a sale of less than all or substantially all of the Debtors' assets, with such net sale proceeds distributed as set forth in the Plan.

As set forth in the Plan, both the Entire Company Asset Sale and Reorganization Transaction preserve the going-concern value of the Debtors' businesses, maximize recoveries available to all constituents, provide for an equitable distribution to the Debtors' stakeholders, and protect the jobs of the Debtors' employees. More, specifically, pursuant to the terms of the Plan, the Entire Company Asset Sale or the Reorganization Transaction, as applicable, provide, among other things:

- All Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, and Allowed Other Priority Claims shall be paid in full in cash or receive such other treatment that renders such Claims Unimpaired.

[4] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan. **The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern**.

- If there is an Entire Company Asset Sale, Allowed DIP Lender Claims and Allowed Senior Lender Claims shall be paid in full in cash from the proceeds of such sale. Remaining sale proceeds, together with any other Distributable Proceeds, shall be distributed to the Holders of Allowed Junior Lender Claims, up to the full amount of such claims. If there are any remaining Distributable Proceeds after payment in full of the Allowed Junior Lender Claims, such Distributable Proceeds will be paid to the Holders of General Unsecured Claims.

- If there is a Reorganization Transaction, the following will occur:

    - Each Holder of an Allowed DIP Lender Claim shall receive its Pro Rata share of Partial Asset Sale Proceeds, if any, up to the full amount of its Allowed DIP Lender Claim. To the extent there are any remaining amounts due and owing to the Holders of Allowed DIP Lender Claims, such Holders shall either (i) receive their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted DIP Facility Amount, (B) Cash equal to the Remaining DIP Facility Amount, and (C) the New Warrants, or (ii) be Paid in Full in Cash with the proceeds of an Acceptable Exit Facility.

    - Each Holder of an Allowed Senior Lender Claim shall receive its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims have been Paid in Full. To the extent there are any remaining amounts due and owing to the Holders of Allowed Senior Lender Claims, such Holders shall either (i) receive their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted Senior Facility Amount and (B) the New Warrants, or (ii) be Paid in Full in Cash with the proceeds of an Acceptable Exit Facility.

    - Each Holder of an Allowed Junior Lender Claim shall receive its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims and Allowed Senior Lender Claims have been Paid in Full. To the extent there are any remaining amounts due and owing to the Holders of Allowed Junior Lender Claims, such Holders shall receive their Pro Rata share of 100% of the Reorganized AAC Equity Interests, subject to dilution by the New Warrants and the Management Incentive Plan.

    - Holders of General Unsecured Claims shall not receive a recovery or distribution.

- In either an Entire Company Asset Sale or Reorganization Transaction, Holders of Interests in AAC Holdings shall not receive a recovery or distribution on account of such Interests.

The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code, and the Plan constitutes a separate plan of reorganization for each of the Debtors. ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

III. EXECUTIVE SUMMARY

A. Chapter 11 Overview and this Disclosure Statement

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all holders of claims or interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

B. Voting on the Plan

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the holders of Claims or Interests in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order, which is attached hereto as Exhibit D.

The Disclosure Statement Order is incorporated herein by reference and should be read in conjunction with this Disclosure Statement in formulating a decision to vote to accept or reject the Plan.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.

PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER ATTACHED HERETO FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

1. Holders of Claims Entitled to Vote on the Plan

The Plan constitutes a separate Plan proposed by each Debtor and the classifications set forth below shall be deemed to apply to each Debtor. Each Class shall be deemed to constitute separate Sub-Classes of Claims against and Interests in each of the Debtors, as applicable, and each such Sub-Class shall vote as a single separate Class for, and the confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to, each of the Debtors.

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold. Each category of Holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Under the provisions of the Bankruptcy Code, not all holders of claims against or interests in a debtor are entitled to vote on a chapter 11 plan. The table in section C of this Article III provides a summary of the status and voting rights of each Class (and, therefore, of each holder within such Class absent an objection to the holder's Claim or Interest) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from holders of Claims in Classes 3, 4 and 5 (collectively, the "Voting Classes"). The Debtors are not soliciting votes from holders of Claims or Interests in Classes 1, 2, 6, 7, 8 or 9 because such Classes are deemed to accept or reject the Plan.

2. Third Party "Opt-Out" Provisions of Ballots

As provided in the Solicitation and Voting Procedures, certain Holders of Claims in the Voting Classes may opt out of the Third Party Release set forth in Article X.F of the Plan. In the event that you are a Holder of such a Claim and receive a notice that includes an "opt-out" provision, you may wish to review the Plan and seek legal advice concerning the effects of the Third Party Release on your Claim. As to Holders of Claims in Class 5, under the terms of the Plan, if Class 5 is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, such Holders will not be "Releasing Parties" on account of such Class 5 Claims. However, if Class 5 is not deemed to reject the Plan, each Holder of a Class 5 Claim shall be deemed to have consented to the Third Party Release, unless such Holder (a) votes to reject the Plan and completes the Opt-Out Form so it is received by the Voting/Opt-Out Deadline, or (b) if such Holder chooses not to vote on the Plan, such Holder completes the rest of the Ballot and completes the Opt-Out Form, so it is received by the Voting/Opt-Out Deadline.

3. Voting Record Date

The Voting Record Date is August 26, 2020. The Voting Record Date is the date on which it will be determined which holders of Claims or Interests in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims or Interests have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the holder of a Claim or Interest.

4. Ballots Not Counted

No ballot will be counted toward Confirmation if, among other things: (1) it is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (2) it was transmitted by means other than as specifically set forth in the ballots; (3) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no proof of claim was timely filed; (5) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date (unless temporarily allowed in accordance with the Disclosure Statement Order); (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Notice and Claims Agent) or the Debtors' financial or legal advisors instead of the Notice and Claims Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.

5. Claims Voting/Opt-Out Deadline

THE CLAIMS VOTING/OPT-OUT DEADLINE IS OCTOBER 1, 2020 AT 4:00 P.M. (PREVAILING EASTERN TIME).

ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR THAT IS OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED.

6. Voting Instructions

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote on the Plan. For your vote to be counted, your ballot must be properly completed, executed, and delivered as directed, so that your ballot including your vote is **actually received** by the Debtors' notice and claims agent, Donlin, Recano & Company, Inc. (the "Notice and Claims Agent") by the Voting Deadline.

To vote, complete, sign, and date your ballot and return it *promptly* to one of the below addresses:

If sent by first-class mail	**If sent by hand delivery or overnight mail:**
Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** **P.O. Box 199043** **Blythebourne Station** **Brooklyn, NY 11219**	**Donlin, Recano & Company, Inc.** **Re: AAC Holdings, Inc., et al** **6201 15th Avenue** **Brooklyn, NY 11219**

PLEASE SELECT JUST ONE OPTION TO VOTE.
EITHER RETURN A PROPERLY EXECUTED PAPER BALLOT WITH YOUR VOTE
OR
VOTE VIA ELECTRONIC MAIL TO DRCVotes@DONLINRECANO.COM

Holders of Claims who cast a ballot via electronic mail to DRCVotes@DONLINRECANO.COM with "AAC BALLOTS" in the subject line should NOT also submit a paper Ballot.

FOR ANY BALLOT CAST VIA ELECTRONIC MAIL, A FORMAT OF THE ATTACHMENT MUST BE FOUND IN THE COMMON WORKPLACE AND INDUSTRY STANDARD FORMAT (*I.E.*, INDUSTRY-STANDARD PDF FILE) AND THE RECEIVED DATE AND TIME IN THE NOTICE AND CLAIMS AGENT'S INBOX WILL BE USED AS A TIMESTAMP FOR RECEIPT.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE NOTICE AND CLAIMS AGENT TOLL FREE AT (877) 476-4387 OR VIA ELECTRONIC MAIL TO AACINFO@DONLINRECANO.COM.

C. Summary of Treatment of Claims and Interests and Description of Recoveries under the Plan

The following table provides a summary of the anticipated recovery[5] to holders of Claims or Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

Class	Claims/Interests	Plan Treatment	Voting Rights	Projected Amount of Allowed Claims/Interests	Projected Plan Recovery
1	Other Priority Claims	Unimpaired	Deemed to Accept	$3,400,000	100%
2	Other Secured Claims	Unimpaired	Deemed to Accept	$417,000	100%
3	Senior Lender Claims	Impaired	Entitled to Vote	$55,698,866.82[6]	100%

[5] The recoveries set forth below may change based upon changes in the amount of Claims that are Allowed, as well as other factors related to the Debtors' business operations and general economic conditions.

[6] The projected amount of Senior Lender Claims does not reflect postpetition interest, which shall be allowed pursuant to the Plan under section 506(b) of the Bankruptcy Code.

Class	Claims/Interests	Plan Treatment	Voting Rights	Projected Amount of Allowed Claims/Interests	Projected Plan Recovery
4	Junior Lender Claims	Impaired	Entitled to Vote	$450,593,283.62[7]	[●][8]
5	General Unsecured Claims	Impaired	Entitled to Vote	$35,800,000[9]	0% in the case of a Reorganization Transaction; 0%, or possibly more, in the case of an Entire Company Sale.[10]
6	Intercompany Claims	Unimpaired / Impaired[11]	Not Entitled to Vote	N/A	N/A
7	Subordinated Claims	Impaired	Deemed to Reject	Unknown	0%
8	Intercompany Interests	Unimpaired/ Impaired[12]	Not Entitled to Vote	Unknown	N/A
9	Interests in AAC Holdings	Impaired	Deemed to Reject	Unknown	0%

D. Confirmation Hearing

The Bankruptcy Court has scheduled the Confirmation Hearing for **October 14, 2020 at 10:00 a.m. prevailing Eastern Time**. The Confirmation Hearing may be adjourned from time to time without further notice.

Objections to Confirmation must be filed and served on the Debtors, and certain other parties, by no later than **October 1, 2020 at 4:00 p.m. prevailing Eastern Time** in accordance

[7] The projected amount of the Junior Lender Claims does not reflect postpetition interest, which shall allowed pursuant to the Plan to the extent that the Junior Lender Claims are oversecured under section 506(b) of the Bankruptcy Code.

[8] As discussed in further detail below, the Debtors are presently engaged in a sale and marketing process in accordance with the Bidding Procedures. To ensure that the integrity of the sale and marketing process is preserved and value is maximized, the Debtors are not disclosing the expected recoveries for Junior Lender Claims at this time. The Debtors will file, as part of the Plan Supplement, the expected recoveries to creditors under the Plan.

[9] This amount does not include any contingent, unliquidated and/or disputed litigation claims set forth in the Debtors' schedules of assets and liabilities.

[10] In the event of an Entire Company Asset Sale, the Debtors will include with the Plan Supplement additional disclosure setting forth the projected recovery to Holders of Class 5 General Unsecured Claims if the projected recovery is greater than 0%.

[11] See Article III.B.6 of the Plan 6 for scenarios in which Holders of Intercompany Claims may be Unimpaired and those in which they may be Impaired.

[12] See Article III.B.8 of the Plan for scenarios in which Holders of Intercompany Interests may be Unimpaired and those in which they may be Impaired.

with the notice of the Confirmation Hearing that accompanies this Disclosure Statement and the Disclosure Statement Order attached hereto as **Exhibit D** and incorporated herein by reference.

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

E. Contact Information

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Notice and Claims Agent, Donlin, Recano & Company, Inc., via one of the following methods:

By regular mail at:
Donlin, Recano & Company, Inc.
Re: AAC Holdings, Inc., et al.
P.O. Box 199043
Blythebourne Station
Brooklyn, NY 11219

By hand delivery or overnight mail at:
Donlin, Recano & Company, Inc.
Re: AAC Holdings, Inc., et al.
6201 15th Avenue
Brooklyn, NY 11219

By telephone at: (877) 476-4387

By facsimile at: (212) 481-1416

By electronic mail at:
aacinfo@DonlinRecano.com

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Notice and Claims Agent at the addresses above or by downloading the exhibits and documents from the web site of the Notice and Claims Agent at https://www.donlinrecano.com/Clients/aac/index (free of charge).

IV. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. AAC's Corporate History, Assets and Operations

A leading provider of inpatient and outpatient substance abuse treatment services, AAC treats adults struggling with drug addiction, alcohol addiction, and co-occurring mental/behavioral health issues. In connection with its treatment services, AAC performs clinical diagnostic laboratory services and provides physician services to its clients. AAC has developed the company and the American Addictions Centers national brand through substantial investment in its clinical expertise, facilities, professional staff, and national sales and marketing program.

Clinical Expertise and Services. AAC maintains a research-based, disciplined treatment plan for all clients with schedules designed to engage the client in an enriched recovery experience. Its curriculum, which is peer reviewed and research-based, has been recognized as one of its program strengths by the Commission on Accreditation of Rehabilitation Facilities and the Joint Commission on the Accreditation of Healthcare Organizations, leaders in the promotion and accreditation of quality, value, and optimal outcomes of service. In addition, AAC offers a variety of forms of therapy types, settings, and related services that the National Institute on Drug Abuse has recognized as effective. AAC offers the following types of therapy, including but not limited to: motivational interviewing, cognitive behavioral therapy, rational emotive behavior therapy, dialectical behavioral therapy, solution-focused therapy, eye movement desensitization and reprocessing, and systematic family intervention. Its variety of therapy settings includes individual, group, and family therapies, recovery-oriented challenge therapies, expressive therapies (with a focus on music and art), equine and trauma therapies.

AAC also provides Medicated-Assisted Treatment ("MAT"), which is the use of FDA-approved medications, in combination with counseling and behavioral therapies, to provide a "whole-patient" approach to the treatment of substance use disorders. AAC believes that it is particularly effective for treating certain conditions such as opioid use disorder and alcohol use disorder. MAT is an important and integral treatment modality that AAC deploys when appropriate based upon individual patient needs.

As detailed below, AAC offers a full spectrum of treatment services to clients, based upon individual needs as assessed through comprehensive evaluations at admission and reevaluated throughout their participation in the program:

a. *Detoxification ("detox").* Detoxification is usually conducted at an inpatient facility for clients with physical or psychological dependence. Detoxification services are designed to clear toxins out of the body so that the body can safely adjust and heal itself after being dependent upon a substance. Clients are medically monitored 24 hours per day, seven days per week by experienced medical professionals who work to alleviate withdrawal symptoms through medication, as appropriate. AAC provides detoxification services for several substances including but not limited to alcohol, sedatives, and opiates.

b. *Residential Treatment*. Residential care is a structured treatment approach designed to prepare clients to return to the general community with a sober lifestyle, increased functionality, and improved overall wellness. Treatment is provided on a 24 hours per day, seven days per week basis, and services generally include a minimum of two individual therapy sessions per week, regular group therapy, family therapy, didactic and psycho-educational groups, exercise (if cleared by medical staff), case management and recreational activities. Medical and psychiatric care is available to all clients, as needed, through AAC's contracted professional physician groups.

c. *Partial Hospitalization.* Partial hospitalization is a structured program providing care a minimum of 20 hours per week. This program is designed for clients who are stable enough physically and psychologically to participate in everyday activities but who still require a degree of medical monitoring. Services include a minimum of weekly

individual therapy, regular group therapy, family education and therapy, didactic and psycho-educational groups, exercise (if cleared by medical staff), case management and off-site recovery meetings and activities. Medical and psychiatric care is available to all clients, as needed, through AAC's contracted professional physician groups.

d. *Intensive Outpatient Services.* Less intensive than the aforementioned levels of care, intensive outpatient services are comprised of a structured program providing care three days per week for three hours per day at a minimum. Designed as a "step down" from partial hospitalization, this program reinforces progress and assists in the attainment of sobriety, reduction of detrimental behaviors and improved overall wellness of clients while they integrate and interact in the community. Services include weekly individual therapy, group therapy, family education and therapy, didactic and psycho-educational groups, case management, off-site recovery meetings and activities, and intensive transitional and aftercare planning.

e. *Outpatient Services.* Traditional outpatient services are delivered in regularly scheduled sessions, usually less than nine hours per week. Outpatient services include professionally directed screening, assessment, therapy, and other services designed to support successful transition to the community and long-term recovery. These services are tailored to a person's specific needs and stage of recovery and may involve many modalities, including motivational enhancement, family therapy, educational groups, occupational and recreational therapy, psychotherapy, and pharmacotherapy.

f. *Ancillary Services.* In addition to inpatient and outpatient treatment services, AAC provides medical monitoring for adherence to addiction treatment as well as clinical diagnostic laboratory services. AAC also provides physician services to its clients through its contracted professional physician groups. It believes toxicological monitoring of clients is an important component of substance abuse treatment. Clients are evaluated for illicit substances upon admission and thereafter on a random basis and as otherwise determined to be medically necessary by the treating physician. AAC conducts laboratory testing for its facilities using quantitative liquid chromatography time-of-flight mass spectrometry technology at its laboratory located in Brentwood, Tennessee.

g. *Sober Living Facilities.* AAC provides sober living arrangements that serve as an interim environment for clients transitioning from inpatient treatment centers to lower levels of care and eventually back to their former living arrangements. Sober living facilities enable AAC to utilize existing beds for clients requiring higher levels of care, while still providing housing for clients completing outpatient treatment programs. AAC provides sober living arrangements to clients through AAC's owned and leased properties in Texas, Nevada, Mississippi, and Florida. AAC plans to continue using sober living facilities as a complement to its outpatient services.

Facilities. As of the Petition Date, and as set forth in greater detail in the table below, AAC operates a total of 26 facilities in eight states focused on delivering effective clinical care and treatment solutions across 1,360 inpatient and sober living beds located in California, Florida, Massachusetts, Mississippi, Nevada, New Jersey, Rhode Island, and Texas.

The following table presents information about AAC's network of substance abuse treatment facilities, including current facilities and facilities under development as of May 2020:

Facility Name	State	Beds[13]	Property
Residential[14]			
AdCare Rhode Island	RI	59	Owned
AdCare Substance Abuse Hospital	MA	114	Owned
Desert Hope Treatment Center	NV	148	Owned
Greenhouse Treatment Center	TX	130	Owned
Laguna Treatment Hospital	CA	93	Owned
Oxford Treatment Center	MS	124	Owned
Recovery First Treatment Center	FL	56	Owned/Leased
River Oaks Treatment Center	FL	162	Owned
Sunrise House Treatment Center	NJ	110	Owned
Total Residential Beds		**996**	
Sober Living			
Resolutions Arlington	TX	157	Leased
Resolutions Las Vegas	NV	159	Leased
Resolutions Oxford	MS	48	Owned
Total Sober Living Beds		**364**	
TOTAL RESIDENTIAL & SOBER LIVING BEDS		**1,360**	
Facility Name	**State**	**Locations**	**Property**
Outpatient[15]			
AdCare Outpatient Centers	MA/RI	10	Owned/Leased
Desert Hope Outpatient Center	NV	1	Leased
Greenhouse Outpatient	TX	1	Leased
Oxford Outpatient Center	MS	1	Owned
Sunrise House Outpatient	NJ	1	Owned
TOTAL OUTPATIENT FACILITIES		**14**	

Professional Staff. As of the Petition Date, AAC has approximately 2,000 employees. AAC's highly trained clinical staff deploys research-based treatment programs with structured curricula for detoxification, inpatient treatment, partial hospitalization, and intensive outpatient care.

AAC employs a variety of staff related to providing client care, including clinicians, case managers, social workers, therapists, medical technicians, housekeepers, cooks and drivers, among

[13] Bed capacity reflected in the table represents total available beds. Actual capacity utilized depends on current staffing levels at each facility and may not equal total bed capacity at any given time.

[14] Inpatient facilities generally have the ability to provide detox, residential, partial hospitalization, and intensive outpatient services.

[15] Outpatient facilities generally have the ability to provide partial hospitalization and intensive outpatient services.

others. AAC also employs a professional sales force and staffs a centralized admissions center. AAC's corporate staff includes accounting, billing and finance professionals, corporate compliance, marketing and human resource personnel, IT staff, and senior management.

A majority of the employees at the Sunrise House Treatment Center in New Jersey are part of a labor union. On June 14, 2017, Sunrise House Treatment Center entered into a three-year collective bargaining agreement with the union that has been extended until September 11, 2020. None of AAC's other employees are represented by a labor union or covered by a collective bargaining agreement.

The Professional Entities (defined below) engage physicians and mid-level service providers to provide professional services to AAC's clients through professional services agreements with each treatment facility. Under the professional services agreements, the Professional Entities also provide a physician to serve as medical director for the applicable facility.

Sales and Marketing. AAC uses a multi-faceted approach to reach potential clients suffering from the disease of addiction and co-occurring psychiatric disorders. This multi-pronged approach includes, among other things, national marketing, multi-media marketing, and recommendations by alumni. AAC deploys and manages a national marketing force, a group of approximately 100 representatives nationwide that focuses primarily on developing relationships with hospitals, other treatment facilities, psychiatrists, therapists, social workers, employers, unions, alumni and employee assistance programs. Its sales representatives educate these various constituents about the disease of addiction and the variety of treatment services that the company provides.

In addition, AAC advertises through various media to obtain new clients as well as to develop a national brand. AAC operates a broad portfolio of internet assets that service millions of website visits each month. Through comprehensive online directories of treatment providers, treatment provider reviews, user content that discusses the disease of addiction, treatment and recovery, as well as discussion forums and professional communities, AAC's addiction-related websites serve families and individuals who are struggling with addiction and seeking treatment options. Additionally, AAC continues to pursue advertising opportunities in television commercials, radio spots, newspaper articles, medical journals, and other print media that promote its facilities and have the intent to build its integrated, national brand.

Incorporation of AAC Holdings, Inc. and Operations. Debtor AAC Holdings, Inc. ("AAC Holdings") was incorporated as a Nevada corporation on February 12, 2014 for the purpose of acquiring the common stock of Debtor American Addiction Centers, Inc. ("AAC, Inc.") and to engage in certain reorganization transactions in connection with the initial public offering of AAC Holdings' common stock, which was completed in October 2014. AAC, Inc. was founded by Michael Cartwright and incorporated as a Nevada corporation on February 27, 2007.

In December 2014, AAC made its first acquisition as a public company, acquiring Recovery First Inc., a Florida-based substance abuse and rehab services company. In 2015, AAC acquired several sites in California, Mississippi, New Jersey, and Rhode Island, as well as two digital marketing firms focused on publishing online content on substance abuse. By 2018, AAC was

operating 12 residential treatment centers and 18 outpatient facilities, and reported a revenue of almost $296 million.

In 2018, AAC acquired AdCare, Inc. ("AdCare"), a 114-bed hospital in Worcester, Massachusetts that also operates five outpatient centers in Massachusetts and a 59-bed residential treatment center and two outpatient centers in Rhode Island. AdCare participates in both Medicare and Medicaid, and the acquisition, therefore, significantly increased AAC's overall participation in governmental payor programs. AdCare was purchased for total consideration of $85.1 million (the "AdCare Acquisition"), subject to certain agreed-to adjustments including a promissory note in the aggregate principal amount of approximately $9.6 million (the "AdCare Note").[16]

The corporate organizational structure of the Debtors is depicted on the chart attached hereto as **Exhibit C**. AAC Holdings is managed by existing management and a board of directors (the "Board") consisting of seven directors, including five independent directors. AAC Holdings is a holding company for AAC, Inc. and AAC Healthcare Network, Inc. ("AAC Healthcare"). AAC, Inc. and AAC Healthcare own all of the operating subsidiaries.

AAC, Inc. owns the following subsidiaries:

a. AAC Dallas Outpatient Center, LLC d/b/a Greenhouse Outpatient Center;
b. AAC Las Vegas Outpatient Center, LLC d/b/a Desert Hope Outpatient Center;
c. ABTTC, LLC;
d. B&B Holdings Intl LLC;
e. Behavioral Healthcare Realty, LLC;
f. BHR Aliso Viejo Real Estate, LLC d/b/a Resolutions San Diego;
g. BHR Greenhouse Real Estate, LLC d/b/a Resolutions Arlington;
h. BHR Oxford Real Estate, LLC d/b/a Resolutions Oxford;
i. BHR Ringwood Real Estate, LLC d/b/a Resolutions Franklin;
j. Clinical Revenue Management Services, LLC;
k. Concord Real Estate, LLC d/b/a Resolutions Las Vegas;
l. Concorde Treatment Center, LLC d/b/a Desert Hope Center;
m. FitRX, LLC;
n. Forterus Health Care Services, Inc.;
o. Greenhouse Treatment Center, LLC d/b/a The Greenhouse;
p. Laguna Treatment Hospital, LLC;
q. New Jersey Addiction Treatment Center, LLC d/b/a Sunrise House;
r. Oxford Outpatient Center, LLC;
s. Oxford Treatment Center, LLC;
t. Recovery Brands, LLC;

[16] The purchase price was comprised of (i) approximately $66.8 million in cash, excluding expenses and other adjustments, (ii) approximately $5.4 million in shares of AAC Holdings' common stock (or 562,051 shares at $9.68 per share), (iii) the AdCare Note, and (iv) contingent consideration valued at $500,000 initially recorded in accrued and other current liabilities. AAC acquired $2.7 million of cash on hand at AdCare, which was returned to the seller within 60 days of the acquisition as required by the Purchase Agreement.

u. Recovery First of Florida, LLC d/b/a Recovery First d/b/a Recovery First Fort Lauderdale East;
v. Referral Solutions Group, LLC;
w. River Oaks Treatment Center, LLC;
x. San Diego Addiction Treatment Center, Inc.;
y. Singer Island Recovery Center LLC;
z. Sober Media Group, LLC;
aa. Solutions Treatment Center, LLC d/b/a Solutions Recovery;
bb. Taj Media, LLC d/b/a RankLab Interactive; and
cc. The Academy Real Estate, LLC.

AAC Healthcare owns the following subsidiaries, including AdCare:

a. AdCare Criminal Justice Services, Inc.;
b. AdCare Hospital of Worcester, Inc.;
c. AdCare, Inc.;
d. AdCare Rhode Island, Inc.;
e. Addiction Labs of America, LLC;
f. Diversified Healthcare Strategies, Inc.;
g. Green Hill Realty Corporation;
h. Lincoln Catharine Realty Corporation;
i. RI – Clinical Services, LLC;
j. Sagenex Diagnostics Laboratory, LLC; and
k. Tower Hill Realty, Inc.

Six affiliates of AAC are professional associations or professional corporations under applicable state law (collectively, the "Professional Entities").[17] During the years 2014 through 2016, the Professional Entities each entered into separate agreements with AAC (collectively, the "Agreements"). The Agreements state that AAC will provide management, administrative, and consulting services to the Professional Entities' medical practices and various systems designed to support the medical practices but strictly preserve the practice of medicine to the Professional Entities.

AAC has a centralized corporate office located in Brentwood, Tennessee that houses its accounting, billing and collections, corporate compliance, information technology, legal and centralized marketing offices, as well as its call center and admissions center.

The admissions center, open 24 hours per day, seven days per week, focuses on enrolling clients. As part of its role, the admissions center team conducts benefits verification, handles initial communication with insurance companies, completes client intake screenings, consults with

[17] The Professional Entities are as follows: Grand Prairie Professional Group, P.A.; Las Vegas Professional Group - Calarco, P.C.; Oxford Professional Group, P.C.; Palm Beach Professional Group, Professional Corporation; Pontchartrain Medical Group, A Professional Corporation; and San Diego Professional Group, P.C. These Professional Entities are also loan parties and guarantors under the prepetition loan documents, and each are debtors in these Chapter 11 Cases. Brentwood Professional Group, P.C. is also an affiliate of AAC and a professional entity, but it is not a loan party, guarantor or debtor in the Chapter 11 Cases.

AAC's clinicians where necessary regarding a potential patient's specific medical or psychological condition, begins the pre-certification process for treatment authorization, helps each client choose a proper treatment facility for his or her clinical and financial needs, and assists clients with arrangements and logistics.

The Debtors also have a clinical laboratory facility in Brentwood, Tennessee that performs high complexity testing, COVID-19 testing, quantitative drug testing, and other laboratory services. The laboratory holds a certificate of accreditation from the Clinical Laboratory Improvement Amendments of 1988 certifying it for complex testing, and the laboratory is therefore required to meet more stringent requirements than laboratories performing less complex testing. The facility is regularly subject to survey and inspection to assess compliance with program standards. In addition, the laboratory is also accredited by the College of American Pathologists.

B. The Debtors' Management Team

AAC Holdings is managed by existing management and the Board.

Michael Cartwright co-founded the Debtors in 2012 and currently serves as Chairman of the Board. With over 20 years of experience, he is a noted behavioral health expert, author and entrepreneur whose treatment philosophy is based on his expertise and involvement in 15 federally funded research studies on dual diagnosis and addiction.

Chief Executive Officer Andrew McWilliams joined the company as Chief Accounting Officer in August 2014. From October 1998 through August 2014, Mr. McWilliams worked as an auditor with Ernst & Young LLP, a national public accounting firm. During his tenure with Ernst & Young, Mr. McWilliams served multiple healthcare clients and also gained experience across a variety of corporate transactions, including public offerings of securities and mergers and acquisitions.

Karen Abbott, Chief Legal Officer & Chief Compliance Officer, brings a wealth of experience to her position, having been in healthcare for the majority of her career. Most recently, Karen was Sr. Vice President, Senior Counsel and Chief Compliance Officer at Diversicare Health Services. Prior to that, she was the Chief Administrative Lawyer, Vice President, Associate General Counsel & Assistant Corporate Secretary with IASIS Healthcare Corporation (now Steward Health Systems, LLC) where she held progressive legal positions in the company beginning in 1999.

C. The Special Restructuring Committee

Prior to the Petition Date, on January 11, 2020, the Board approved the charter of the Special Restructuring Committee (the "Special Restructuring Committee"). The Special Restructuring Committee is comprised of Lucius E. Burch and two independent directors, T. Michael Logan and Scott Vogel (collectively, the "Special Restructuring Committee Members"). The Special Restructuring Committee's duties and responsibilities include (i) negotiating with the Debtors' creditors, (ii) examining and informing the Board regarding the sale or disposition of the Debtors' assets, (iii) effectuating the restructuring of the Debtors, (iv) coordinating with the management of the Debtors to effectuate said restructuring, (v) directing and working with the

Debtors' professionals, and (vi) performing such other duties as may be assigned by the Board to the Special Restructuring Committee from time to time.

On July 18, 2020, the Debtors filed an application to retain Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb") as counsel to the Special Restructuring Committee [Docket No. 166]. On August 5, 2020, the Bankruptcy Court entered an order authorizing the retention of Cleary Gottlieb [Docket No. 372].

D. The Debtors' Prepetition Capital Structure

As of the Petition Date, the Debtors had prepetition secured indebtedness in the aggregate principal amount in excess of $363.6 million, plus accrued and unpaid interest and fees, consisting of two credit facilities (together, the "Prepetition Credit Facilities") as described further herein.

The Prepetition Junior Lien Facility. Pursuant to that certain Credit Agreement, dated as of June 30, 2017 (as amended, supplemented, restated or otherwise modified from time to time prior to, and as in effect on, the Petition Date, the "Prepetition Junior Lien Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or delivered in connection therewith, that certain Prepetition Intercreditor Agreement[18] and that certain Forbearance Agreement dated as of October 30, 2019 (as amended, supplemented or otherwise modified from time to time) among the Junior Lien Loan Parties (as defined below), the lenders constituting Required Lenders under the Prepetition Junior Lien Credit Agreement party thereto and the Junior Agent, collectively, the "Junior Lien Loan Documents") by and among AAC Holdings, as borrower (the "Junior Lien Borrower"), each of the Debtors party thereto, as guarantors (the "Junior Lien Guarantors", and together with the Junior Lien Borrower, the "Junior Lien Loan Parties"),[19] the lenders party thereto (collectively, the "Junior Lenders"), and Ankura (as successor by assignment to Credit Suisse AG), as administrative agent (in such capacity, the "Junior Administrative Agent") and collateral agent (in such capacity, the "Junior Collateral Agent", and together with the Junior Administrative Agent, collectively, the "Junior Agent"), the Junior Lenders provided a credit facility (the "Prepetition Junior Lien Facility") to the Junior Lien Borrower.

The Debtors, as the Junior Lien Loan Parties, granted to the Junior Agent, for the benefit of itself and the Junior Lenders, liens, mortgages and security interests (collectively, the "Prepetition Junior Facility Liens") in all "Collateral" as defined in the Prepetition Junior Lien Credit Agreement (collectively, the "Prepetition Junior Lien Collateral").

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[18] The relative rights and remedies of the Prepetition Secured Parties and the relative priority of their respective security interests in any shared or common Prepetition Collateral are governed by that certain Intercreditor Agreement dated as of March 8, 2019 (as amended, supplemented or otherwise modified from time to time) by and among the Debtors, the Senior Lien Agent and the Junior Lien Agent (the "Prepetition Intercreditor Agreement").

[19] The following Debtors are not Junior Lien Guarantors and are therefore not Junior Lien Loan Parties: ABTTC, LLC; AdCare Criminal Justice Services, Inc.; B&B Holdings Intl LLC; Clinical Revenue Management Services, LLC; Diversified Healthcare Strategies, Inc.; FitRX, LLC; Singer Island Recovery Center LLC; and Taj Media LLC.

The Prepetition Junior Lien Facility initially provided for (a) a term loan (the "Junior Lien Term Loan") in the aggregate principal amount of $210 million with a stated maturity of June 30, 2023, and (b) a revolving line of credit (the "Junior Lien Revolver") in the aggregate principal amount of $40 million with a stated maturity of June 30, 2022. The Prepetition Junior Lien Facility also provided for standby letters of credit in an aggregate undrawn amount not to exceed $7.0 million. The Junior Lien Term Loan required scheduled quarterly principal repayments in an amount equal to $1.7 million for September 30, 2017 through June 30, 2019 and $3.4 million for September 30, 2019 through March 31, 2023, with the remaining principal balance of the Junior Lien Term Loan due on the maturity date of June 30, 2023. The Junior Lien Term Loan was fully drawn on June 30, 2017.

The Prepetition Junior Lien Facility also included an incremental facility providing for additional term loans in an aggregate principal amount of up to $25 million and additional revolving commitments in an aggregate principal amount of up to $15 million (the "Incremental Revolver").

The proceeds of the Junior Lien Term Loan were used by the Debtors to (a) prepay all existing indebtedness under (i) the Debtors' 2015 senior secured credit facility with Bank of America, N.A, then outstanding in the aggregate approximate amount of at least $140 million and (ii) two subordinated financing facilities with affiliates of Deerfield Management Company in the aggregate approximate amount of $50 million (the "2015 Subordinated Debt"), (b) to pay transaction costs associated with the foregoing, and (c) for general corporate purposes. The proceeds of the Junior Lien Revolver drawn at closing were used to pay the consent fee of approximately $3 million due in connection with calling the 2015 Subordinated Debt, to pay transaction costs associated with the foregoing, and for general corporate purposes.

In addition, in conjunction with AAC Holdings' acquisition of AdCare, (a) on September 25, 2017, the Junior Lien Loan Parties incurred the Incremental Revolver thereby increasing the Junior Lien Revolver from $40 million to $55 million, and (b) on March 1, 2018, the Junior Lien Loan Parties secured a $65 million incremental term loan commitment under the Prepetition Junior Lien Facility.

As of the Petition Date, the Debtors were indebted to the Junior Lenders under the Prepetition Junior Lien Facility in the aggregate principal amount of $316,612,692.97, *plus* accrued but unpaid interest, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Junior Lien Loan Documents, including, without limitation, principal, accrued and unpaid interest (including at the default rate), premiums, make wholes, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements of the Junior Lenders and the Junior Agent), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Junior Lien Loan Documents (collectively, the "Prepetition Junior Lien Obligations").

The Prepetition Senior Lien Facility. Pursuant to that certain Credit Agreement dated as of March 8, 2019 (as amended, supplemented, restated or otherwise modified from time to time prior to, and as in effect on, the Petition Date, the "Prepetition Senior Lien Credit Agreement", and together with all other agreements, documents, instruments and certificates executed or

delivered in connection therewith, including that certain Prepetition Intercreditor Agreement and that certain Forbearance Agreement dated as of October 30, 2019 (as amended, supplemented or otherwise modified from time to time) among the Senior Lien Loan Parties (as defined below), the lenders constituting Required Lenders under the Prepetition Senior Lien Credit Agreement party thereto and the Senior Agent, collectively, the "Senior Lien Loan Documents", and together with the Junior Lien Loan Documents, the "Prepetition Loan Documents") by and among AAC Holdings, as borrower (the "Senior Lien Borrower"), the guarantors party thereto (the "Senior Lien Guarantors", and together with the Senior Lien Borrower, the "Senior Lien Loan Parties", and together with the Junior Lien Loan Parties, the "Prepetition Loan Parties"),[20] the lenders party thereto (collectively, the "Senior Lenders", and together with the Junior Lenders, the "Prepetition Lenders") and Ankura (as successor by assignment to Credit Suisse AG), as administrative agent (in such capacity, the "Senior Administrative Agent") and collateral agent (in such capacity, the "Senior Collateral Agent", and together with the Senior Administrative Agent, collectively, the "Senior Agent", and together with the Junior Agent, the "Prepetition Agents", and collectively with the Prepetition Lenders, the "Prepetition Secured Parties"), the Senior Lenders provided a credit facility (the "Prepetition Senior Lien Facility") to the Senior Lien Borrower. The Prepetition Senior Lien Facility initially provided for a term loan in the principal amount of $30 million and matured on its original term on April 15, 2020.

The Debtors, as the Senior Lien Loan Parties, granted to the Senior Agent, for the benefit of itself and the Senior Lenders, properly perfected continuing liens, mortgages and security interests (collectively, the "Prepetition Senior Facility Liens") in all "Collateral" as defined in the Prepetition Senior Lien Credit Agreement (collectively, the "Prepetition Senior Lien Collateral", and together with the Prepetition Junior Lien Collateral, the "Prepetition Collateral").

Contemporaneously with the Senior Lien Loan Parties' entry into the Prepetition Senior Lien Facility, on March 8, 2019, the Junior Lien Loan Parties entered into that certain Amendment and Waiver No. 1 to Credit Agreement with the Required Lenders under the Prepetition Junior Lien Credit Agreement and the Junior Agent, which amended the Prepetition Junior Lien Facility to, among other things, (a) increase the interest rate on the Junior Lien Term Loans, (b) increase the commitment fee for the undrawn portion of the Junior Lien Revolver, (c) provide that, upon repayment of all indebtedness under the Prepetition Senior Lien Facility, the Prepetition Loan Parties must use proceeds from the sale or disposition of certain Prepetition Collateral to prepay outstanding Junior Lien Obligations, including payment of certain prepayment premiums, and (d) revise certain financial covenants, including a maximum senior secured coverage ratio and budgeting and reporting covenants, to mirror those contained in the Prepetition Senior Credit Facility.

Incremental Funding Under the Prepetition Senior Lien Facility and Entry into Forbearance. On October 30, 2019, the Debtors entered into amendments to each of the Prepetition Credit Facilities, which (a) provided for additional term loans under the Prepetition Senior Lien Facility from certain Senior Lenders in the aggregate amount of $5 million and (b) amended the Prepetition Junior Lien Facility to allow for such additional funding capacity

[20] The following Debtors are not Senior Lien Guarantors and are therefore not Senior Lien Loan Parties: ABTTC, LLC; AdCare Criminal Justice Services, Inc.; B&B Holdings Intl LLC; Clinical Revenue Management Services, LLC; Diversified Healthcare Strategies, Inc.; FitRX, LLC; Singer Island Recovery Center LLC; and Taj Media LLC.

under the Prepetition Senior Lien Facility. In connection with the October 30, 2019 amendments and incremental funding under the Prepetition Senior Lien Facility, the Prepetition Loan Parties entered into forbearance agreements (together, the "Forbearance Agreements") with the Prepetition Agents and the requisite lenders under each of the Prepetition Credit Facilities (collectively, the "Forbearing Lenders"), pursuant to which the Forbearing Lenders agreed, among other things, to forbear from exercising their remedies under the Prepetition Credit Facilities that would have otherwise been available due to existing events of default through March 31, 2020.

On January 9, 2020, the Forbearing Lenders delivered to the Debtors a notice of the termination of the forbearance periods under the Forbearance Agreements (the "Forbearance Periods") due to, among other things, the occurrence of certain events of default under the Prepetition Credit Facilities and termination events under the Forbearance Agreements.

On January 24, 2020, the Debtors entered into further amendments to each of the Prepetition Credit Facilities, which (a) provided for additional term loans under the Prepetition Senior Lien Facility from certain Senior Lenders in an aggregate principal amount equal to $12 million, $10 million of which was funded at closing of such amendments, and $2 million of which was funded on February 26, 2020 and (b) amended the Prepetition Junior Lien Facility to allow for such additional funding under the Prepetition Senior Lien Facility. Accordingly, as of the Petition Date, the Debtors were indebted to the Senior Lenders under the Prepetition Senior Lien Facility in the aggregate principal amount of $47,000,000, *plus* accrued but unpaid interest, *plus* any other amounts incurred or accrued but unpaid prior to the Petition Date in accordance with the Senior Lien Loan Documents, including, without limitation, principal, accrued and unpaid interest (including at the default rate), premiums, make wholes, any reimbursement obligations (contingent or otherwise), any fees, expenses and disbursements (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements of the Senior Lenders and the Senior Agent), indemnification obligations, any other charges, amounts and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing or chargeable in respect thereof, in each case, to the extent provided in the Senior Lien Loan Documents (collectively, the "Prepetition Senior Lien Obligations", and together with the Prepetition Junior Lien Obligations, the "Prepetition Obligations").

In connection with the January 2020 amendments to the Prepetition Credit Facilities and incremental funding under the Prepetition Senior Lien Facility, the Debtors and the Forbearing Lenders entered into amendments to each of the Forbearance Agreements pursuant to which the Forbearing Lenders agreed, among other things, to forbear from exercising their remedies under the Prepetition Credit Facilities that would have otherwise been available due to existing events of default through March 31, 2020. On March 31, 2020, the Forbearance Agreements terminated in accordance with their terms. In June 2020, prior to the Petition Date, the Prepetition Lenders gave notice of acceleration of the Prepetition Obligations.

Financing Lease Obligation. On August 9, 2017, AAC closed on a sale-leaseback transaction with MedEquities Realty Operating Partnership, LP, a subsidiary of MedEquities Realty Trust, Inc. ("MedEquities"),[21] for $25.0 million (the "2017 Sale-Leaseback"), in which MedEquities purchased from subsidiaries of AAC two drug and alcohol rehabilitation outpatient

[21] On May 17, 2019, Omega Healthcare Investors, Inc. acquired of all of the outstanding shares of MedEquities.

facilities and two sober living facilities: the Desert Hope Facility and Resolutions Las Vegas, each located in Las Vegas, Nevada, and the Greenhouse Facility and Resolutions Arlington, each located in Arlington, Texas (collectively, the "Sale-Leaseback Facilities").

Simultaneously with the sale of the Sale-Leaseback Facilities, AAC, through its subsidiaries and MedEquities, entered into an operating lease, dated August 9, 2017, pursuant to which AAC would continue to operate the Sale-Leaseback Facilities. The operating lease provides for a 15-year term for each facility with two separate renewal terms of five years each if AAC chooses to exercise its right to extend the lease term. The initial annual minimum rent payable from AAC to MedEquities is $2.2 million due in equal monthly installments of $0.2 million. On the first, second and third anniversary of the lease date, the annual rent will increase 1.5% from the annual rent in effect for the immediately preceding year. On the fourth anniversary of the lease date and thereafter during the lease term, the annual rent will increase to the amount equal to the CPI Factor (as defined in the lease) multiplied by the annual rent in effect for the immediately preceding year; provided, however, that the adjusted annual rent increase will always be between 1.5% and 3.0%.

Capital Lease Obligations. AAC has capital leases with third party leasing companies for vehicles, copiers, and equipment. The capital leases have maturity dates in July 2021 and January 2024. The total obligations under the capital leases as of March 31, 2020 were approximately $485,281, of which $138,015 was included in the current portion of long-term debt.

Subordinated Note. On March 1, 2018, in conjunction with the AdCare Acquisition, AAC issued the AdCare Note to the seller in the original principal amount of $9.6 million, with a stated maturity of September 29, 2023 and with a fixed interest rate per annum equal to 5.0%, compounded annually. Payments of principal and interest pursuant to the AdCare Note commenced on April 30, 2018. The obligations under the AdCare Note are not guaranteed by any of the other Debtors.

V. EVENTS LEADING TO THE CHAPTER 11 FILINGS

A. Financial Difficulties

Beginning in the fourth quarter of 2018 and continuing into the first quarter of 2019, AAC took steps to consolidate and divest certain of its markets, reduce corporate staff and administrative expenses, and increase operational efficiency. On December 1, 2018, it ceased operations at its 36-bed sober-living center and outpatient center in San Diego, California, consolidating its operations with its Laguna Treatment Hospital. During the fourth quarter of 2018, AAC also announced that it was seeking strategic alternatives for its Louisiana operations, which it subsequently sold pursuant to a Membership Interest Purchase Agreement with an effective date of January 28, 2019 among AAC, Inc., Avenues Recovery Center of Louisiana, LLC, and certain affiliates of such parties.

While AAC has had ongoing financial difficulties, 2019 was a particularly difficult year. Specifically, changes in liquidity had a material adverse effect on AAC's assets, business, cash flow, financial condition, prospects, and the results of operations despite AAC implementing cost-savings initiatives, targeting to sell the company's real estate, exploring potential recapitalization, and obtaining additional financing.

In February 2019, AAC instituted actions to reduce bed count and staffing in its Las Vegas, Nevada market by consolidating its Solutions Recovery treatment operations into those of its Desert Hope operations. Earlier in 2018, AAC consolidated its Clinical Services of Rhode Island outpatient centers into AdCare's Rhode Island outpatient operations. It also consolidated diagnostic test operations, moving laboratory operations in Louisiana to Tennessee. During the fourth quarter of 2018 and the first quarter of 2019, AAC also conducted reductions in force at its corporate headquarters in Brentwood, Tennessee and at certain of its facilities. These expense savings initiatives completed in the second half of 2018 and into the 1st quarter of 2019 reduced operating expenses by over $30 million annually, but were not enough to significantly improve liquidity.

To fund acquisition development and operational strategies, AAC entered into the Prepetition Senior Lien Facility. AAC has historically relied on debt financing to partially fund its acquisitions, *de novo* projects, facility expansions, and operations. AAC's level of indebtedness has made it more difficult for AAC to satisfy its obligations with respect to its indebtedness, resulting in defaults on, and acceleration of, such indebtedness. In addition, dedicating a substantial portion of its cash flows from operations to debt service obligations has reduced the availability of such cash flows to fund working capital, capital expenditures, and other general corporate requirements and to carry out other aspects of its business.

To continue operations and be able to discharge its liabilities and commitments in the normal course of business, AAC decided it must do some or all of the following: (i) improve operating results by increasing census while maintaining efficiency regarding operating expenses through the cost savings initiatives implemented in late 2018 and early 2019; (ii) execute strategic alternatives related to its real-estate portfolio which could include further sale leasebacks of individual facilities or larger portions of the real estate portfolio; (iii) sell additional non-core or non-essential assets; and/or (iv) obtain additional financing.

Prior to the Petition Date, AAC explored several of these alternatives, including engaging Cantor Fitzgerald & Co. ("CF&CO") as investment banker to assist with potential strategic corporate transactions involving the company's real estate and other assets, as well as potential recapitalization. A more detailed description of the marketing and sale process led by CF&CO is set forth in Article VI.I of this Disclosure Statement. While CF&CO explored options to improve the balance sheet, particularly through monetizing the value of AAC's real estate portfolio and evaluating assets for a recapitalization, its efforts did not result in a transaction prior to the Petition Date.

AAC is currently unable to pay all of its debts that matured, including the Prepetition Senior Lien Facility in the aggregate principal amount of $47,000,000, and the Forbearance Agreements have expired. As a result, the Prepetition Loan Obligations are immediately due and payable. AAC's current level of cash on hand, internally generated cash flows, and borrowings under its credit facilities are not sufficient to fund its working capital needs, debt service and repayment obligations, and capital expenditures, especially without anticipated proceeds from sale-leaseback transactions and limited access to debt and capital markets due to its leverage capacity, existing debt agreements, credit ratings, and general market conditions.

B. COVID-19

Beginning in late March and early April of 2020, AAC faced challenges due to the Coronavirus Disease 2019 pandemic ("COVID-19"). AAC experienced a decline in inpatient admissions and outpatient visits as a result of the virus and the measures undertaken to combat the virus, including mandatory stay-at-home orders, restrictions on travel, supply chain disruptions, and preventive measures to ensure that facilities remain coronavirus-free. These measures have had and will continue to have an adverse impact on the Debtors. While cash on hand became more limited and access to credit became more restricted, AAC's costs rose during this difficult economic time. AAC expended significant time and resources in ensuring that its facilities remained open and had sufficient staff and personal protective equipment to keep their patients and staff safe during the pandemic.

After carefully and deliberately evaluating the economic needs of its operations, AAC filed a borrower application under the Paycheck Protection Program ("PPP"), established by section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). On May 2, 2020, AAC received funds in the amount of $10 million from Bank of America, N.A. AAC believes it has used these funds in strict compliance with PPP and CARES Act requirements and regulations prior to the filing of these Chapter 11 Cases. AAC intends to submit a loan forgiveness application for the full principal amount of the loan guaranteed under the PPP. Despite this financial assistance, AAC continued to experience financial distress related to COVID-19 and liquidity issues. In May, admissions started to improve, but had not yet returned to pre-COVID-19 levels. Notwithstanding these challenges, the ongoing pandemic has presented AAC with opportunities related to conducting COVID-19 testing at its clinical laboratory facility for patients, staff and third parties and the expansion of outpatient services through the use of telemedicine offerings.

Despite the financial and operational disruptions caused by the COVID-19 crisis, AAC remains open and committed to individuals struggling with addiction, while enforcing safety and prevention as a top priority in regards to COVID-19. AAC is strictly following recommendations from the U.S. Centers for Disease Control and Prevention ("CDC") and the World Health Organization ("WHO") and taking as many proactive actions as possible to protect current and future patients and staff. In late February, AAC's executive team began meeting almost daily to address the emerging concerns surrounding COVID-19. In early March, corporate management and local facility management developed and implemented a comprehensive plan focusing on key areas of concern and creating the Health Protection Committee ("HPC").

HPCs have been established at each facility to ensure hygiene and safety measures are consistently in place and followed. Working with the Chief Executive Officer, the Chief Medical Officer, the Chief Compliance Officer, the Vice President of Human Capital and the Chief of Staff, the HPC at each facility ensures a coordinated company response to any concerns and establishes protective protocols in the event that the health of patients or employees may have been compromised as a result of COVID-19. The HPC works directly and daily with the Chief Medical Officer to implement and enforce the most up-to-date procedures as the coronavirus information evolves. AAC is maintaining its already stringent daily cleaning and disinfecting processes along with regularly scheduled deep cleanings and closely monitoring the health of patients and staff. As a condition to admission, all incoming patients must be tested for COVID-19 and quarantined

from the facility population, which restricts bed availability. AAC is constantly following and updating procedures and policies as necessary in line with guidance from the CDC and the WHO, as well as federal and state authorities. AAC remains committed to supporting its patients and their families who suffer from and are directly impacted by the disease of addiction during this unprecedented global health crisis.

AAC has remained open during the pandemic to assist in saving the lives of some of the most vulnerable people in need of care at a time when anxiety, depression, social isolation and uncertainty exasperates their disease of addiction. James Carroll, the Director of the White House Office of National Drug Control Policy, recognized in a letter to healthcare professionals that treatment of substance use disorders, or "SUDs", is an "essential medical service" and "[d]uring these uncertain times, it is important that the Debtors not lose sight of the very vulnerable population suffering from SUDs." His letter emphasized that these crucial services must remain available during the pandemic and that personal protective equipment is needed for those caring for these patients. Accordingly, during the COVID-19 crisis, AAC continues to focus on providing critical treatment services for a disease that claims thousands of lives every year while making every effort to keep patients and employees safe and protected with preventative measures. AAC believes that addiction care must be reinforced, instead of postponed, to avoid complications of both substance use disorders and COVID-19 and to prevent the transmission of the coronavirus.

C. The Restructuring Support Agreement and DIP Financing

Prior to commencing these Chapter 11 Cases, the Debtors entered into the Restructuring Support Agreement with Prepetition Lenders holding in excess of 89% in aggregate principal amount of the loans outstanding under Prepetition Senior Lien Facility and 60% of loans outstanding under the Prepetition Junior Lien Facility (collectively, the "Initial Consenting Lenders"). The Restructuring Support Agreement and the plan term sheet attached thereto set forth the material terms for a consensual restructuring, including (a) a post-petition continuation of the pre-petition marketing process for the sale of the Debtors' assets, (b) certain case milestones that must be satisfied, including seeking and obtaining approval of the DIP Facility (described below), seeking and obtaining approval of bidding procedures, filing a pre-negotiated plan of reorganization and disclosure statement in connection therewith, and obtaining approval of the disclosure statement and order confirming the Plan, (c) proposed treatment for holders of claims and interests, and (d) mutual releases and exculpation by and among the parties thereto.

In addition, certain Prepetition Lenders signed a commitment letter pursuant to which they agreed to provide debtor in possession financing in an aggregate amount of up to $62.5 million (the "DIP Facility"), including up to $25.5 million on an interim basis, subject to the terms thereof. The transactions contemplated by the Restructuring Support Agreement, including the DIP Facility more fully described herein, are designed to allow the Debtors to emerge from these cases as a viable enterprise going forward.

The Debtors filed the Chapter 11 Cases to restructure their businesses, enhance liquidity, and bolster their long-term growth prospects and operating performance. The Plan represents the successful culmination of months of restructuring efforts and numerous compromises and gives the Debtors the best opportunity to withstand current adverse market conditions, generate

sufficient liquidity to fund their operations, and maximize value for the benefit of their stakeholders.

VI. MATERIAL DEVELOPMENTS AND ANTICIPATED EVENTS OF THE CHAPTER 11 CASES

A. Expected Timetable of the Chapter 11 Cases

The Debtors expect the Chapter 11 Cases to proceed quickly. The Restructuring Support Agreement and the DIP Facility include the following milestones:

- file the Disclosure Statement, the motion for approval of the Disclosure Statement, the form of ballots, and the Solicitation procedures, and the Plan with the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than thirty-five (35) calendar days after the Petition Date or July 25, 2020);

- obtain entry of the Final DIP Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than thirty-five (35) calendar days after the Petition Date or July 25, 2020);

- obtain entry of the Bidding Procedures Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than forty (40) calendar days after the Petition Date or July 30, 2020);

- obtain entry of the Disclosure Statement Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than August 31, 2020);

- obtain entry of the Confirmation Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than October 14, 2020); and

- cause the Effective Date to occur as soon as reasonably practicable after the Petition Date (but in no event later than October 29, 2020 (the "Outside Date").

No assurances can be made, however, that the Bankruptcy Court will enter various orders on the timetable contemplated by these milestones.

B. First Day Relief

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Petitions"), the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and customers following the commencement of the Chapter 11 Cases. A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the *Declaration of J. Jette Campbell, Chief Restructuring Officer, in Support of Chapter 11*

Petitions and First Day Pleadings and *the Supplemental Declaration of J. Jette Campbell, Chief Restructuring Officer, in Support of Chapter 11 Petitions and First Day Pleadings* (collectively, the "First Day Declaration"), both of which are incorporated herein by reference [Docket Nos. 3 and 44]. The relief granted as part of the First Day Motions included:

- Joint administration of the Chapter 11 Cases;
- Retention of Donlin, Recano & Company as the claims and noticing agent;
- Waiver of the requirement to file an equity security holders list, authorization to file a consolidated list of creditors and consolidated top 30 list of creditors and authorization to redact certain personally identifiable information from such lists;
- Approval of procedures to maintain and protect confidential client information;
- Authorization to continue using bank accounts, the Debtors' cash management system and business forms;
- Authorization to pay certain prepetition employee payroll, salary and benefits;
- Authorization to maintain, administer and modify the client refund program and the Brand Promise Program;
- An order prohibiting utility providers from altering, refusing or discontinuing services and deeming such utility providers adequately protected;
- Authorization to maintain and continue paying for insurance; and
- Authorization to pay certain taxes and regulatory fees.

Certain of the First Day Motions were granted on an interim basis on June 23, 2020 and subsequently on a final basis on July 15, 2020. The First Day Motions, the First Day Declaration, and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at: https://www.donlinrecano.com/Clients/aac/Index.

C. Other Procedural and Administrative Motions

The Debtors also filed several other motions after the Petition Date to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including:

Ordinary Course Professionals Motion. On June 25, 2020, the Debtors filed the *Motion of Debtors for Entry of an Order Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business* [Docket No. 77] (the "OCP Motion"). The OCP Motion seeks to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses. On July 15, 2020, the Bankruptcy Court entered an order granting the OCP Motion [Docket No. 158].

Retention Applications. On June 25, 2020, the Debtors filed a number of applications seeking to retain certain professionals postpetition pursuant to sections 327 and 328 of the

Bankruptcy Code, including Greenberg Traurig, LLP, as legal counsel; CF&CO as investment banker; Donlin, Recano & Company, Inc., as administrator advisor; Chipman Brow Cicero & Cole, LLP, as conflicts counsel; and Carl Marks Advisory Group LLC, as Chief Restructuring Officer (collectively, the "Retention Applications"). On July 15, 2020, the Bankruptcy Court approved each of the Retention Applications. The foregoing professionals are, in part, responsible for the administration of the Chapter 11 Cases. The postpetition compensation of all of the Debtors' professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code is subject to the approval of the Bankruptcy Court.

On July 31, 2020, the Debtors filed an application seeking to retain Deloitte Tax LLP as a tax services provider [Docket No. 355], and on August 27, 2020, the Bankruptcy Court entered an order approving the application [Docket No. 454].

D. Approval of the DIP Facility

Based on the Debtors' need for debtor in possession financing and their conclusion that the DIP Facility represents the best terms available, on the Petition Date, the Debtors filed a motion seeking authorization to enter into the DIP Facility on an interim and final basis (the "DIP Facility Motion"). On June 23, 2020, the Bankruptcy Court entered an order approving the DIP Facility Motion on an interim basis [Docket No. 65] (the "Interim DIP Order"), and on July 15, 2020, the Bankruptcy Court entered an order approving the DIP Facility Motion on a final basis [Docket No. 159] (the "Final DIP Order").

Under the terms of the DIP Facility Loan Agreement, the $62.5 million DIP Facility is available in multiple draws. Upon the Bankruptcy Court's entry of the Interim DIP Order, the Debtors were able to access $22.5 million under the DIP Facility. Upon the Bankruptcy Court's entry of the Final DIP Order, the Debtors had authority to access the entire $62.5 million DIP Facility subject to a number of conditions precedent.

E. Schedules and Statements

On June 25, 2020, the Debtors filed a motion seeking entry of an order that would extend the deadline to file their schedules of assets and liabilities, schedules of executory contracts, and unexpired leases, and statements (collectively, the "Schedules and Statements") [Docket No. 76]. On July 15, 2020, the Bankruptcy Court extended the deadline for the Debtors to file the Schedules and Statements to August 3, 2020 [Docket No. 155]. The Debtors filed their Schedules and Statements with the Bankruptcy Court on July 27, 2020 and July 28, 2020. If you would like to view the Schedules and Statements, you may do so by visiting: https://www.donlinrecano.com/Clients/aac/Index.

F. Trading Orders

The Debtors net operating loss ("NOL") carryforwards and certain other tax attributes are valuable assets of its estates because a corporation can carry forward NOLs to offset future income or tax, thereby reducing its tax liability in future periods. The Debtors estimate that they have incurred consolidated NOLs of approximately $87 million as of the Petition Date and are expecting that the consolidated NOLs will increase to approximately $190 million as of December 31, 2020. The Debtors believe that, even after taking account any cancellation of debt impact of the Plan on

the Debtors, the NOL carryforwards and other tax attributes may result in significant future tax savings, which would enhance the Debtors' cash position and significantly contribute to its successful reorganization.

The ability of the Debtors to use their NOL carryforwards and other tax attributes is subject to certain statutory limitations. In particular, section 382 (in conjunction with section 383) of the Internal Revenue Code limits a corporation's ability to use its NOLs and certain other tax attributes after the corporation undergoes a specified change of ownership. However, even to the extent an ownership change of the Debtors is expected to occur upon implementation of the Plan, the limitations imposed by section 382 of the Internal Revenue Code upon a change of ownership pursuant to a confirmed plan are significantly more relaxed than those otherwise applicable, particularly under section 382(l)(5) of the Internal Revenue Code, if the plan involves the retention or receipt of at least half of the stock of the reorganized debtor by its stockholders or qua lified creditors.

Accordingly, in order to protect the value of its NOL carryforwards and other tax attributes, the Debtors filed a motion requesting an order of the Bankruptcy Court granting authorization to protect and preserve valuable NOLs in excess of the "section 382 limitation," as defined in 26 U.S.C. § 382(a) by establishing notice and waiting periods to govern transfers of equity interests in AAC (the "Trading Motion") [Docket No. 15]. On June 23, 2020, the Bankruptcy Court granted the Trading Motion on an interim basis [Docket No. 60], and on July 15, 2020, the Bankruptcy Court granted the Trading Motion on a final basis [Docket No. 150].

G. Appointment of Creditors' Committee

On July 2, 2020, the U.S. Trustee appointed the Creditors' Committee [Docket No. 96]. The Creditors' Committee is currently composed of the following members: Collect RX LLC; Beckman Coulter, Inc.; and Willie Meadows. On August 20, 2020, the Bankruptcy Court authorized the retention of Cole Schotz P.C. as legal counsel to the Creditors' Committee [Docket No. 425]. On August 20, 2020, the Bankruptcy approved the Creditors' Committee's application to retain and employ Province, Inc. as its financial advisor [Docket No. 425].

H. Appointment of Patient Care Ombudsman

On July 10, 2020, the Bankruptcy Court entered an order directing the appointment of a patient care ombudsman ("PCO") [Docket No. 119]. On July 14, 2020, the U.S. Trustee filed a notice appointing David N. Crapo as the PCO [Docket No. 123].

Since his appointment, the PCO has filed a series of applications seeking court authorization to retain and employ certain professionals to help fulfill his duties as PCO [Docket Nos. 383, 415, and 416]. On August 28, 2020, the Court authorized the employment of Susan N. Goodman to inspect the Debtors' residential treatment centers in Nevada and California on behalf of the PCO [Docket No. 469]. On that same day, the Court also authorized the employment of Gibbons P.C. as counsel for the PCO [Docket No. 468]. On September 2, 2020, the Court will hold a hearing on the PCO's last remaining employment application, which seeks to employ Marie Kraemmer, LMHC to inspect the Debtors' residential treatment facilities in Florida on behalf of the PCO [Docket No. 416].

On August 13, 2020, the Bankruptcy Court approved a stipulation between the Debtors and the PCO that allows the PCO to have limited access to confidential patient information [Docket No. 396]. The limited access allows the PCO to fulfill his duties under section 333 of the Bankruptcy Code and ensure that the patients for certain Debtors continue to receive quality patient care during the bankruptcy proceedings.

I. Bidding Procedures Motion

On July 3, 2020, the Debtors filed a motion seeking, among other things, court approval of their Bidding Procedures (the "Bidding Procedures Motion"). On July 23, 2020, the Bankruptcy Court entered an order [Docket No. 188] approving the Bidding Procedures Motion, including the Bidding Procedures.

1. Overview of Bidding Procedures[22]

As noted herein and in the Bidding Procedures Motion, prior to the Petition Date, the Debtors and the Initial Consenting Lenders entered into the Restructuring Support Agreement. The Restructuring Support Agreement includes, among other things, a plan term sheet that sets forth the principal terms of the Plan, pursuant to which the Debtors' secured lenders will receive a combination of cash, new debt instruments and/or equity in the reorganized Debtors, among other things, in exchange for their secured claims (or, the Reorganization Transaction), subject to a bidding process for higher or otherwise better bids. At the same time that the Debtors are seeking confirmation of the Plan, the Debtors are to continue marketing their assets and business for higher or otherwise better bids than the Reorganization Transaction and if one or more higher or otherwise better bids are received and an auction occurs, the winning bid at that auction will be effectuated pursuant to the Plan.

Bids may take the form of a bid to purchase substantially all of the Debtors' assets or a bid for only certain of the Debtors' assets, in each case to be effectuated through the Plan. Bids also may take the form of a plan sponsorship proposal whereby the plan sponsor receives the newly issued equity in the reorganized Debtors and the secured creditors receive a distribution of equity or debt consideration in addition to cash (a "Plan Sponsorship Proposal"). The Plan, as filed, contains a toggle feature that will provide for the sale of substantially all of the Debtors' assets (or, an Entire Company Asset Sale) or alternatively, the distribution of newly issued debt and equity to the prepetition lenders (of, the Reorganization Transaction). A Partial Sale(s) may occur in either instance. If the winning bid at the auction conducted pursuant to the Bidding Procedures Motion is a Plan Sponsorship Proposal, the Debtors will file an amended chapter 11 plan to incorporate such Plan Sponsorship Proposal upon the conclusion of such auction.

The Bidding Procedures are the mechanism by which the Debtors will market their assets and subject the Plan to a market test in an effort to ensure that the value of their estates is maximized in these chapter 11 cases (the "Chapter 11 Cases"). The Bidding Procedures provide ample time for potential bidders to conduct the necessary due diligence and submit bids, and they

[22] This summary of the Bidding Procedures is qualified in its entirety by the actual terms of the Bid Procedures. To the extent that there is any conflict between this summary and the Bidding Procedures, the latter shall control. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bidding Procedures.

are flexible in allowing bidders to submit various forms of bids. If bids are received for an Entire Company Asset Sale or a Plan Sponsorship Proposal that do not pay the Senior Lender Claims and the Junior Lender Claims in cash in full, the Debtors must obtain the consent of the Requisite Consenting Lenders to proceed with such bids instead of the Reorganization Transaction. Likewise, if a bid for a Partial Asset Sale is received, the Debtors must obtain the consent of the Requisite Consenting Lenders to proceed with such Partial Asset Sale.

2. Prepetition Marketing Process

Prior to the Petition Date, CF&CO was retained as the Debtors' investment banker to explore financing and strategic alternatives for the Debtors, including a sale of all or part of the Debtors' business, third-party equity and financing alternatives, a "standalone" restructuring of the Debtors' balance sheet, and various permutations of the foregoing. The Debtors considered both in- and out-of-court alternatives. As part of this process, CF&CO developed a list of parties whom they believed may be interested in, and whom the Debtors reasonably believed would have the financial resources to consummate, an Entire Company Asset Sale or a Partial Asset Sale, which list included both strategic investors and financial investors.

In January 2019, CF&CO commenced the process of finding new financing for the Debtors. It discussed the opportunity with a total of thirteen (13) healthcare debt investors. As part of this process, thirteen (13) confidentiality agreements were executed, thirteen (13) investor packages were distributed, nine (9) management calls were held, and five (5) term sheets were received. This process did not result in a transaction.

In March 2019, CF&CO commenced a new process focused on strategic alternatives. CF&CO discussed the opportunity with a total of fifty-two (52) parties, including thirty-nine (39) private equity sponsors and thirteen (13) strategic buyers. As a result of this process, thirty-three (33) confidentiality agreements were executed, fifteen (15) bidders received confidential information presentations and virtual dataroom access, eighteen (18) management calls and/or meetings were held, and fourteen (14) follow-up diligence calls were conducted with CF&CO and management. There were four (4) subsequent indications of interest received -- three (3) indications of interest were for real estate sales and/or sale-leasebacks and one (1) indication of interest was for a financial restructuring. This process did not result in a transaction.

As part of the most recent marketing process commenced in March 2020, CF&CO contacted fifty-five (55) parties with respect to a possible Transaction, including thirteen (13) potential strategic buyers and forty-two (42) sponsors. Of the fifty-five (55) potential bidders with whom the Debtors and CF&CO have had contact, fourteen (14) have executed confidentiality agreements and were provided access to a virtual data room containing confidential information regarding the Debtors, their business, and their assets. Three (3) potential bidders submitted proposals, but no final agreements were reached with these bidders.

CF&CO is continuing this marketing process for a possible Transaction and is in the process of reaching out to those persons previously contacted regarding a possible Transaction in addition to others who maybe be interested in a possible Transaction.

3. Key Dates and Deadlines

The key dates and deadlines in the Bidding Procedures are as follows:

Deadline	Description
August 14, 2020 at 5:00 p.m. (Eastern time)	Deadline for potential Bidders to submit non-binding indications of interest
September 11, 2020 at 5:00 p.m. (Eastern time)	(1) Bid Deadline (2) Deadline for Debtors to designate one or more non-competing Bidders as a "stalking horse bidder" and grant certain bid protections to the stalking horse bidder
September 16, 2020	Deadline for the Consenting Lenders to elect whether to proceed with one or more Qualified Bid(s) or with the Plan
September 18, 2020	Deadline for holders of DIP Facility Claims, Senior Lender Claims and Junior Lender Claims to make a Bid that is in the form of a credit bid
September 19, 2020	Deadline for Debtors to designate Qualified Bidders and Baseline Bid(s)
September 21, 2020 at 10:00 a.m. (Eastern time)	(1) Auction (if any) (2) Deadline for Debtors to return Deposits of Bidders who are not Qualified Bidders
September 22, 2020	Deadline for Debtors to file notice of Winning Bidder(s) and Backup Bidder(s)
September 24, 2020	Deadline for the Debtors to file the Sale Process Documents of the Winning Bidder(s) with the Plan supplement

J. Claim Bar Dates

On July 10, 2020, the Debtors filed a motion seeking to set deadlines for filing proofs of claim [Docket No. 120]. On July 23, 2020, the Bankruptcy Court entered an order approving the motion [Docket No. 189] and set the following bar dates:

General Bar Date: August 26, 2020 at 5:00 p.m. (prevailing Eastern Time). The General Bar Date is the last date for persons or entities, other than governmental units, to file Proofs of Claim against the Debtors on account of claims (as defined in section 101(5) of the Bankruptcy Code) arising, or deemed to have arisen, prior to the Petition Date, including, for the avoidance of doubt, claims arising under section 503(b)(9) of the Bankruptcy Code.

Government Bar Date: December 17, 2020 at 5:00 p.m. (prevailing Eastern Time). The Government Bar Date is the last date for governmental units, as defined in section 101(27) of the Bankruptcy Code, to file Proofs of Claim against the Debtors on account of claims arising, or deemed to have arisen, prior to the Petition Date.

K. Key Employee Retention Plan

On July 21, 2020, the Debtors filed under seal a motion seeking court approval to implement a key employee retention plan (the "KERP") [Docket No. 175]. Under the KERP, the Debtors identified certain individuals critical to the Debtors' operations (the "KERP Participants"). To ensure that the Debtors retain the KERP Participants during the Chapter 11 Cases, each KERP Participant has the opportunity to receive a payment contingent on the Plan going effective. The aggregate payments under the KERP equal $1,239,130.80. The KERP Participants are non-insiders and non-senior management employees and will receive varying percentages of the $1,239,130.80 based on (a) the degree to which the KERP Participant is critical to maintaining the Debtors' successful operations and pursuing the Debtors' restructuring process, (b) the risk that such KERP Participant would voluntarily leave the Debtors or be recruited by a competitor of the Debtors, (c) the difficulty of replacing the KERP Participant, and (d) the KERP Participant's possession of irreplaceable proprietary knowledge. A hearing to consider the KERP is scheduled for August 31, 2020.

L. 341 Meeting

On July 28, 2020, the U.S. Trustee conducted a telephonic meeting of creditors (the "341 Meeting") at which the U.S. Trustee and creditors had the opportunity to question the Debtors under oath concerning the Debtors' acts, conduct, property, and the administration of the Chapter 11 Cases. The 341 Meeting was continued to, and concluded on, August 12, 2020.

M. Litigation Matters

In the ordinary course of business, the Debtors are parties to certain lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to treatment under the plan, release, and discharge upon the Effective Date of the Plan, with certain exceptions.

1. Prepetition Litigation and Related Matters

Personal Injury Claims. To date, approximately thirty-six personal injury claims are pending against the Debtors. The Debtors believe these claims, including related defense costs, are covered by insurance, which insurance generally has a $150,000 per claim self-insured retention ("SIR") amount.

Reyna Litigation. Prior to the Petition Date, Ana Reyna, Brandi Reyna, Brandon Reyna, and the Estate of Shaun Reyna (collectively, the "Reyna Plaintiffs") each filed a civil action against certain Debtors and certain Affiliates in the California Superior Court for the County of Riverside for alleged wrongful death claims of the Reyna Plaintiff's husband/father Shun Reyna while under the care of the Debtors. Shortly after, the cases were consolidated into one case styled *Ana Reyna*

et al. *v. ABTTC, Inc.*, d/b/a Better Tomorrow Treatment Center, et al., (the "Reyna Litigation"). In January of 2020, the parties settled the Reyna Litigation.

RSG Litigation. On June 30, 2017, Jeffrey Smith, Abhilash Patel, and certain of their affiliates (the "RSG Plaintiffs") filed a lawsuit in the Superior Court of the State of California in Los Angeles County against certain Debtors and certain of the Debtors' current and former officers (collectively, the "RSG Defendants") styled *Jeffrey Smith, Abhilash Patel,* et al. *v. American Addiction Centers, Inc.*, et al. (the "RSG Litigation"). The RSG Plaintiffs are former owners of Referral Solutions Group, LLC ("RSG") and Taj Media, LLC, which were acquired by the Debtors in July 2015. The RSG Plaintiffs generally alleged that, in connection with the Debtors' acquisition, the RSG Defendants violated California securities laws and further allege intentional misrepresentation, common law fraud, equitable fraud, promissory estoppel, civil conspiracy to conceal an investigation and civil conspiracy to conceal profitability. On November 21, 2018, the Debtors entered into a settlement (the "RSG Settlement") with the RSG Plaintiffs providing, in part, that the Debtors pay the RSG Plaintiffs an aggregate amount of $8 million. In addition, in connection with the RSG Settlement, the Debtors agreed to release one of RSG's former officers and directors, Jerrod N. Menz ("Menz"), from his agreement to contribute 300,000 shares as part of a settlement reached in connection with a previously settled securities class action lawsuit and, in exchange for such agreement, Menz released his claim for indemnification arising out of the RSG Litigation.

SEC Matter. In March 2018, the Debtors provided general accounting, finance and governance documentation in response to a subpoena received from the U.S. Securities and Exchange Commission (the "SEC"). Following this initial document request, the SEC requested additional information pertaining to the Debtors' accounting for partial payments from insurance companies, where the Debtors are continuing to pursue additional collections for the estimated balance. Beginning in the third quarter of 2018, the audit committee of the Debtors (the "Audit Committee") initiated a review of the Debtors' accounting for these partial payments. In connection with this review, the Audit Committee determined that the Debtors' change in estimate of the collectability of accounts receivable relating to partial payments was appropriate. The SEC's investigation remains ongoing, and the Debtors continue to fully cooperate on this matter, including providing the SEC with information regarding the restatements of historical financial reports contained in the Debtors' most recent Annual Report. The SEC's investigation is neither an allegation of wrongdoing nor a finding that any violation of law has occurred. At this time, the Debtors cannot predict the final outcome of this matter or what impact it might have on the Debtors' consolidated financial position, results of operations or cash flows.

Shareholder Litigation. On May 16, 2019, an alleged shareholder ("Caudle") filed a purported class action in the United States District Court for the Middle District of Tennessee against certain Debtors and certain of their current and former officers (the "Caudle Defendants") styled *Caudle v. AAC Holdings, Inc.,* et al. (the "Caudle Litigation"). On November 4, 2019, Caudle filed an amended complaint on behalf of a putative class of shareholders who purchased equity interests in AAC between March 8, 2017 and April 15, 2019. Caudle generally alleges that the Caudle Defendants violated Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making allegedly misleading statements relating to the Debtors' marketing practices and with respect to financial statements reported by the Debtors for

periods between 2016 and 2018, which statements were restated in the Debtors' Annual Report on Form 10-K for the year ended December 31, 2018.

In the Caudle Litigation, Lead Plaintiff Indiana Public Retirement System alleges that AAC, Cartwright, McWilliams, and Manz violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by engaging in a fraudulent scheme and by materially misleading AAC's investors. Lead Plaintiff alleges that AAC, Cartwright, McWilliams, and Manz misled investors by touting AAC's "best-in-class sales and marketing engine" and its "marketing knowledge and infrastructure" giving it a "significant competitive advantage," when in fact it was engaged in a deceptive patient recruiting scheme that ultimately decimated its business when AAC was barred from advertising on Google, denied renewed membership in a prominent addiction treatment professional society, and forced to defend its conduct before Congress. Lead Plaintiff alleges that AAC, Cartwright, McWilliams, and Manz also misled investors by fraudulently inflating AAC's financial results, failing to timely reserve for or write off impaired receivables, causing it to overstate net income and understate net losses by tens of millions of dollars. Lead Plaintiff alleges that the truth began to be revealed on November 6, 2018, when defendants disclosed that AAC had missed its revenue and earnings targets and lowered guidance for the rest of fiscal 2018, due to defendants' inability to continue their marketing and accounting schemes. Then, on April 15, 2019, AAC filed its annual report on Form 10-K for fiscal 2018, revealing AAC was restating its historical financial statements and had missed its already-lowered 4Q18 guidance. Lead Plaintiff further alleges that AAC's stock price collapsed more than 86% from its Class Period high, causing investors tens of millions of dollars in losses, amid an exodus of senior executives and directors. The Debtors and the defendants in the Caudle Litigation deny and are vigorously contesting the Lead Plaintiff's allegations for, among other reasons, those set forth in the defendants' motion to dismiss on file in the Caudle Litigation, which motion is currently pending.

In two related matters, on August 16, 2019 and September 23, 2019, alleged shareholders filed derivative actions on behalf of AAC in the United States District Court in the Middle District of Tennessee, styled *Cooper v. Cartwright*, et al. and *Pedernera v. Cartwright,* et al., against certain of the Debtors' current and certain former members of their board of directors and senior executive team, alleging that these individuals breached their fiduciary duties and engaged in mismanagement. The two cases have been consolidated and the consolidated action is stayed pending a decision on the defendants' pending motion to dismiss filed in the Caudle Litigation. Similar to the Caudle Litigation, these shareholders allege that the Debtors' directors and officers made material misstatements in the Debtors' financial reporting regarding the collectability of the Debtors' accounts receivable in order to inflate AAC's share price. These shareholders also allege that, while AAC's share price was inflated, certain of the Debtors' directors and officers sold shares in AAC that they held in their individual capacities for at least $5 million. The Debtors and the defendants in these two related matters deny and are vigorously contesting the allegations stated above.

Given the uncertainty of litigation and the preliminary stage of these cases, the Debtors cannot estimate the reasonably possible loss or range of loss that may result from these actions. The Debtors believe that the allegations are without merit. If the Plan is confirmed, the Debtors and their creditors and shareholders will forever release any Claims and Causes of Action (including any derivative claims brought on the Debtors' behalf) against, among other non-Debtor Released Parties, the Debtors' current and former directors and officers who are defendants in

these shareholder litigation matters. These releases are fully described in Article X of the Plan. A creditor may opt out of the Third-Party Release by voting to reject the Plan, or abstaining from voting, and checking the appropriate box on its ballot by the October 1, 2020 voting deadline.

The Committee asserts that it has not received satisfactory evidence that the company undertook a fulsome and independent investigation into the merits of the allegations set forth in the shareholder litigation as described above. The Committee further asserts that the allegations in such shareholder litigation, if true, would give rise to potentially valuable claims and, potentially, a source of recovery for Holders of Class 5 General Unsecured Claims. The Committee has served discovery on the Debtors regarding the such shareholder litigation, and the Debtors will respond to that discovery

N. Valuation Analysis

As described above, the Debtors are presently engaged in a sale and marketing process in accordance with the Bidding Procedures. The Debtors believe that the sale and marketing process is the best method to value the business because it allows the market to determine the value. The sale and marketing process is a comprehensive and arm's length process with the goal of identifying counterparties for a potential transaction. Accordingly, to ensure that the integrity of the sale and marketing process is preserved and value is maximized, the expected recoveries for Junior Lender Claims are not, at this time, being disclosed herein, and the Debtors are not filing a valuation analysis. *See* 11 U.S.C. § 1125(b) ("The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets."); *see also In re Keisler*, No. 08-34321, 2009 WL 1851413, at *5 (Bankr. E.D. Tenn. June 29, 2009) ("[V]aluation is not a necessary component in the determination of whether a disclosure statement contains adequate information."); *In re Weiss-Wolf, Inc.*, 59 B.R. 653, 654 (Bankr. S.D.N.Y. 1986). Courts have approved disclosure statements that conducted a valuation analysis through a comprehensive market process. *See e.g.*, *In re GCX Limited,* et al., Case No. 19-12031 (CSS) (Bankr. D. Del. Dec. 4, 2019) [Docket No. 203]; *In re Ditech Holding Corp.,* et al., Case No. 19-10412 (JLG) (Bankr. S.D.N.Y. May 10, 2019) [Docket No. 544]; *In re LBI Media, Inc.*, Case No. 18-12655 (CSS) (Bankr. D. Del. Jan. 22, 2019) [Docket No. 360]; *In re Gastar Exploration Inc.*, Case No. 18-36057 (MI) (Bankr. S.D. Tex. Dec. 21, 2018) [Docket No. 282].

The Debtors will file, with the Plan Supplement, the expected recoveries to creditors under the Plan including the Junior Lender Claims. Further, if necessary, the Debtors will also file, as part of the Plan Supplement, a valuation analysis.

VII. THE PLAN

THIS ARTICLE VII OF THIS DISCLOSURE STATEMENT IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE KEY TERMS, STRUCTURE, CLASSIFICATION, TREATMENT, AND IMPLEMENTATION OF THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE ENTIRE PLAN AND EXHIBITS TO THE PLAN. ALTHOUGH THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN, THIS DISCLOSURE STATEMENT DOES NOT PURPORT TO BE A PRECISE OR COMPLETE STATEMENT OF ALL RELATED

TERMS AND PROVISIONS, AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. INSTEAD, REFERENCE IS MADE TO THE PLAN AND ALL SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF (INCLUDING ATTACHMENTS) AND THE PLAN SUPPLEMENT WILL CONTROL THE TREATMENT OF HOLDERS OF CLAIMS AND INTERESTS UNDER THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THIS SECTION V AND THE PLAN (INCLUDING ANY ATTACHMENTS TO THE PLAN) AND THE PLAN SUPPLEMENT, THE PLAN AND PLAN SUPPLEMENT, AS APPLICABLE, SHALL GOVERN.

A. Administrative Claims and Priority Tax Claims

1. Administrative Claims and Priority Tax Claims

Except with respect to Administrative Claims that are Professional Fee Claims or DIP Lender Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of its Allowed Administrative Claim on the latest of: (a) the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements and/or arrangements governing, instruments evidencing, or other documents relating to such transactions (and no requests for payment of such Administrative Claims must be Filed or served).

Except as otherwise provided in Article II.A of the Plan and except with respect to Administrative Claims that are Professional Fee Claims, requests for payment of Allowed Administrative Claims must be Filed and served on the Post-Effective Date Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Post-Effective Date Debtors and the requesting party by the Claims Objection Bar Date.

2. Professional Compensation

i. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims incurred during the period from the Petition Date through the Confirmation Date shall be Filed no later than 45 days after the

Effective Date, provided, however, that nothing in the Plan alters the ability of an Ordinary Course Professional to be paid, or the authority of the Debtors or Post-Effective Date Debtors to pay Ordinary Course Professionals, pursuant to the terms of the OCP Order, and such Ordinary Course Professionals shall not be required to file requests for payment of Professional Fee Claims unless such requests are required under the OCP Order. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior orders of the Bankruptcy Court, including the Interim Compensation Order, and once approved by the Bankruptcy Court, shall be promptly paid from the Professional Fee Escrow Account up to the full Allowed amount. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the amount of Professional Fee Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, and the Post-Effective Date Debtors shall pay the full unpaid amount of such Allowed Administrative Claim in Cash.

ii. **Professional Fee Escrow Account**

On the Effective Date, the Debtors or Post-Effective Date Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Allowed Professional Fee Claims. Such funds shall not be considered property of the Estates. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Post-Effective Date Debtors as soon as reasonably practicable after such Professional Fee Claims are Allowed. When all Allowed amounts owing to the Professionals have been paid in full, any amount remaining in the Professional Fee Escrow Account shall promptly be returned to the Post-Effective Date Debtors without any further action or order of the Bankruptcy Court. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, the remaining unpaid Allowed Professional Fee Claims will be paid by the Post-Effective Date Debtors.

iii. **Professional Fee Reserve Amount**

Professionals shall estimate their unpaid Professional Fee Claims, and shall deliver their reasonable best estimate to the Debtors and the DIP Agent no later than five (5) days before the Effective Date; provided, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims. If a Professional does not provide an estimate, the Debtors or Post-Effective Date Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

iv. **Post-Effective Date Fees and Expenses**

Upon the Effective Date, the Post-Effective Date Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court, and any requirement of such professionals to comply with section 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered on or after such date shall terminate.

3. DIP Lender Claims

As of the Effective Date, the DIP Lender Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding on the Effective Date under the DIP Credit Agreement, the DIP Orders, and the other DIP Documents, including principal, interest, fees, prepayment premiums and expenses and other amounts constituting obligations under the DIP Credit Agreement. Except to the extent that a Holder of an Allowed DIP Lender Claim agrees, in its sole and absolute discretion, to a less favorable treatment, the DIP Lender Claims and all Liens securing such DIP Lender Claims shall be satisfied in full as follows:

(i) in the case of an Entire Company Asset Sale, the DIP Lender Claims will be Paid in Full in Cash on the Effective Date from the Distributable Proceeds; or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed DIP Lender Claim shall receive on the Effective Date its Pro Rata share of Partial Asset Sale Proceeds, if any, up to the full amount of its Allowed DIP Lender Claim and, to the extent there are any remaining amounts due and owing to the Holders of Allowed DIP Lender Claims, such Holders shall:

a. be Paid in Full in Cash on the Effective Date from the Acceptable Exit Facility to the extent there are sufficient proceeds or availability under the Acceptable Exit Facility; or

b. receive on the Effective Date their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted DIP Facility Amount, (B) Cash equal to the Remaining DIP Facility Amount, and (C) the New Warrants DIP Lender Allocation.

Subject to the Allowed DIP Lender Claims being Paid in Full or otherwise satisfied as contemplated by Article II.C of the Plan, and all obligations under the DIP Credit Agreement being satisfied, on the Effective Date, all Liens and security interests granted to secure such obligations (other than those granted in connection with the payoff arrangements and cash collateralization of such obligations) shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

4. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the Holder of an Allowed Priority Tax Claim and the applicable Debtor or Post-Effective Date Debtor, each Holder of an Allowed Priority Tax Claim will receive, at the option of the applicable Debtor or Post-Effective Date Debtor, in full satisfaction of its Allowed Priority Tax Claim that is due and payable on or before the Effective Date, either (i) Cash equal to the amount of such Allowed Priority Tax Claim on the Effective Date or (ii) otherwise treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. For the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

5. Statutory Fees

All fees due and payable pursuant to section 1930 of Title 28 of the United States Code before the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Post-Effective Date Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Post-Effective Date Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of the applicable Debtor's Chapter 11 Case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

B. Classification and Treatment of Claims and Interests

1. Summary of Classification

The Plan constitutes a separate Plan proposed by each Debtor and the classifications set forth in Classes 1 through 9 shall be deemed to apply to each Debtor. Each Class shall be deemed to constitute separate Sub-Classes of Claims against and Interests in each of the Debtors, as applicable, and each such Sub-Class shall vote as a single separate Class for, and the confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to, each of the Debtors. All Claims and Interests are classified in the Classes set forth below in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Senior Lender Claims	Impaired	Entitled to Vote
4	Junior Lender Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Unimpaired / Impaired[23]	Not Entitled to Vote
7	Subordinated Claims	Impaired	Deemed to Reject

[23] See Article III.B.6 of the Plan for scenarios in which Holders of Intercompany Claims may be Unimpaired and those in which they may be Impaired.

Class	Claims and Interests	Status	Voting Rights
8	Intercompany Interests	Unimpaired/ Impaired[24]	Not Entitled to Vote
9	Interests in AAC Holdings	Impaired	Deemed to Reject

2. Treatment of Claims and Interests

Subject to Article VI of the Plan, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

i. Class 1 – Other Priority Claims

Classification: Class 1 consists of Other Priority Claims.

Treatment: In full and final satisfaction of each Allowed Other Priority Claim, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, each Holder thereof will receive payment in full in Cash or other treatment rendering such Claim Unimpaired.

Voting: Class 1 is Unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

ii. Class 2 – Other Secured Claims

Classification: Class 2 consists of Other Secured Claims.

Treatment: In full and final satisfaction of each Allowed Other Secured Claim, except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Holder thereof will receive at the option of the Debtors (with the consent of the Requisite Consenting Lenders): (a) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter; (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) Reinstatement of such Claim; or (d) such other treatment rendering such Claim Unimpaired.

[24] See Article III.B.8 of the Plan for scenarios in which Holders of Intercompany Interests may be Unimpaired and those in which they may be Impaired.

Voting: Class 2 is Unimpaired. Holders of Class 2 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

iii. **Class 3 – Senior Lender Claims**

Classification: Class 3 consists of all Senior Lender Claims.

Allowance: The Senior Lender Claims shall be Allowed, in the aggregate, in the Senior Lender Claims Allowed Amount

Treatment: In full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Senior Lender Claim shall receive either:

(i) in the case of an Entire Company Asset Sale, Cash on the Effective Date from Distributable Proceeds in the full amount of its Allowed Senior Lender Claim on the Effective Date (which, for the avoidance of doubt, shall not include adequate protection payments, including interest payments, under the terms of the DIP Order); or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed Senior Lender Claim shall receive on the Effective Date (x) Cash in the amount of the Senior Lender Unpaid Postpetition Interest Amount and (y) its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims have been Paid in Full and, to the extent there are any remaining amounts due and owing to the Holders of Allowed Senior Lender Claims, such Holders shall:

A. be Paid in Full in Cash (which, for the avoidance of doubt, shall not include adequate protection payments, including interest payments, already paid under the terms of the DIP Order) on the Effective Date with the proceeds of an Acceptable Exit Facility to the extent there are sufficient proceeds or availability under the Acceptable Exit Facility; or

B. receive on the Effective Date their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted Senior Facility Amount and (B) the New Warrants Senior Lender Allocation.

Voting: Class 3 is Impaired. Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan.

iv. **Class 4 – Junior Lender Secured Claims**

Classification: Class 4 consists of all Junior Lender Secured Claims.

Allowance: The Junior Lender Secured Claims shall be Allowed, in the aggregate, in the Junior Lender Secured Claim Allowed Amount.

Treatment: In full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Junior Lender Secured Claim shall receive either:

(i) in the case of an Entire Company Asset Sale, its Pro Rata share of the Distributable Proceeds pursuant to the Waterfall Recovery, up to the full amount of its Allowed Junior Lender Secured Claim; or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed Junior Lender Secured Claim shall receive on the Effective Date its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims and Allowed Senior Lender Claims have been Paid in Full, and, to the extent there are any remaining amounts due and owing to the Holders of Allowed Junior Lender Secured Claims, such Holders shall receive their Pro Rata share of 100% of the Reorganized AAC Equity Interests, subject to dilution by the New Warrants and the Management Incentive Plan.

Voting: Class 4 is Impaired. Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

v. Class 5 – General Unsecured Claims

Classification: Class 5 consists of all General Unsecured Claims.

Treatment: In full and final satisfaction, compromise, settlement, release, and discharge of each General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive (unless the applicable Holder agrees to a less favorable treatment):

(i) in the case of an Entire Company Asset Sale, its Pro Rata share of the Distributable Proceeds pursuant to the Waterfall Recovery, if any; or

(ii) in the case of a Reorganization Transaction, no recovery or distribution.

Voting: For voting purposes, Class 5 is Impaired, and Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

vi. Class 6 – Intercompany Claims

Classification: Class 6 consists of all Intercompany Claims.

Treatment: In full and final satisfaction of each Allowed Intercompany Claim, each Allowed Intercompany Claim will either be (i) treated consistent with the transactions contemplated by the Entire Company Asset Sale or Partial Asset Sale, if applicable or (ii) in the case of a Reorganization Transaction, (A) Reinstated as of the Effective Date for tax purposes or (B) cancelled, in which case no distribution shall be made on account of such Allowed

Intercompany Claim, in each case as determined by the Debtors with the consent of the Requisite Consenting Lenders.

Voting: Holders of Class 6 Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) or deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 6 Claims are not entitled to vote to accept or reject the Plan.

vii. **Class 7 – Subordinated Claims**

Classification: Class 7 consists of all Subordinated Claims.

Treatment: Subordinated Claims will be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Subordinated Claim will not receive any distribution on account of such Subordinated Claim.

Voting: Class 7 is Impaired. Holders of Class 7 Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

viii. **Class 8 – Intercompany Interests**

Classification: Class 8 consists of all Intercompany Interests.

Treatment: In full and final satisfaction of each Allowed Intercompany Interest, each Intercompany Interest shall either be (i) treated consistent with the transactions contemplated by the Entire Company Asset Sale or Partial Asset Sale, if applicable or (ii) in the case of a Reorganization Transaction, as determined by the Debtors, with the consent of the Requisite Consenting Lenders, as of the Effective Date, (A) Reinstated or (B) cancelled, in which case no distribution shall be made on account of such Intercompany Interests.

Voting: Holders of Class 8 Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) or deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 8 Interests are not entitled to vote to accept or reject the Plan.

ix. **Class 9 – Interests in AAC Holdings**

Classification: Class 9 consists of all Interests in AAC Holdings.

Treatment: Each Allowed Interest in AAC Holdings shall be cancelled, released, and extinguished, and will be of no further force or effect and no Holder of Interests in AAC Holdings shall be entitled to any recovery or distribution under the Plan on account of such Interests.

Voting: Class 9 is Impaired. Holders of Class 9 Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of the Confirmation Hearing by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class(es) of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article XII thereof to the extent, if any, that confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

4. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

5. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class of Claims or Interests is eligible to vote and no Holder of Claims or Interests, as applicable, in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

6. Intercompany Interests and Intercompany Claims

Under a Reorganization Transaction, Holders of Intercompany Interests or Intercompany Claims may retain their respective Interests or Claims not on account of such Interests or Claims, as applicable, but rather for the purposes of administrative convenience, for the ultimate benefit of the Holders of Reorganized AAC Equity Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims.

7. Subordinated Claims and Interests

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and their respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors, as applicable, reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

C. Means for Implementation of the Plan

1. Means for Implementation Applicable to an Entire Company Asset Sale or a Reorganization Transaction

The following provisions shall apply whether the Plan is implemented through an Entire Company Asset Sale or a Reorganization Transaction.

i. Implementation of Plan Transaction Generally

On the Effective Date, or as soon as reasonably practicable thereafter, the Post-Effective Date Debtors shall take all actions, not inconsistent with the Restructuring Support Agreement, as may be necessary or appropriate to effectuate the restructuring transactions contemplated by the Plan, including, without limitation: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Persons may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) such other transactions that are required to effectuate the Plan; (e) all transactions necessary to provide for the purchase of some or all of the assets of, or Interests in, any of the Debtors which purchase may be structured as a taxable transaction for United States federal income tax purposes; and (f) all other actions that the applicable Persons determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

ii. Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise specifically provided for in the Plan (including, without limitation, the satisfaction of the DIP Lender Claims in accordance with Article II.C of the Plan): (1) any certificate, share, note, bond, indenture, purchase right, or other instrument or document, directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest, equity, or portfolio interest in the Debtors or any warrants, options, or other securities exercisable or exchangeable for, or convertible into, debt, equity, ownership, or profits interests in the Debtors giving rise to any Claim or Interest shall be cancelled and deemed surrendered as to the Debtors and shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indenture, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be fully released, settled, and compromised; provided, that notwithstanding entry of the Confirmation Order or Consummation, any such instrument or document that governs the rights of a Holder of a Claim or Interest shall continue in effect solely for purposes of: (1) allowing Holders to receive distributions under the Plan; (2) allowing the Senior Lien Agent and Junior Lien

Agent to enforce their respective rights, claims, and interests vis-à-vis any parties other than the Released Parties; and (3) preserving any rights of the Senior Lien Agent and Junior Lien Agent to payment of fees, expenses, and indemnification obligations as against any money or property distributable to the Holders of Senior Lender Claims and Junior Lender Claims, respectively, including any rights to priority of payment.

iii. **General Settlement of Claims**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their respective Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against the Debtors and their respective Estates and Causes of Action against other Entities.

iv. **Asset Sales**

The Debtors shall consummate any Asset Sales pursuant to the terms of the Plan, and the Confirmation Order shall authorize the Debtors to enter into and perform under the Asset Sale Agreements. On the Effective Date, all of the transactions contemplated by any Asset Sale shall be consummated. Any property of the Debtors' Estates that is not transferred under an Asset Sale Agreement or distributed on the Effective Date pursuant to the terms of the Plan shall revest in the Post-Effective Date Debtors in accordance with the terms of the Plan.

Unless otherwise expressly provided under the terms of a particular Asset Sale Agreement, all matters and transactions provided for in the Asset Sale Agreements, and any partnership, membership, or shareholder action required by the Debtors or the Post-Effective Date Debtors in connection with the Asset Sale Agreements, will be deemed to have occurred and will be in effect, without any requirement of further action by those authorized to act on behalf of the Debtors or the Post-Effective Date Debtors. On or (as applicable) prior to the Effective Date, the appropriate officers, directors, managers or managing members of each Debtor or Post-Effective Date Debtor, as applicable, shall be authorized and directed to issue, execute, deliver, file, and/or record any contracts, agreements, instruments, or other documents contemplated by the Asset Sale Agreements (or necessary or desirable to effect the transactions contemplated by the Asset Sale Agreements), and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Asset Sale Agreements, in each case in the name of and on behalf of such Debtor or Post-Effective Date Debtor. Such authorizations and approvals will be effective notwithstanding any requirements under non-bankruptcy law.

v. Preservation of Causes of Action

Except for any Cause of Action against a Person that is expressly waived, relinquished, exculpated, released, compromised under the Plan or Final Order, transferred in connection with an Asset Sale, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Post-Effective Date Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Post-Effective Date Debtors may pursue such Causes of Action, as appropriate, in the Post-Effective Date Debtors' sole discretion. No Person may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Post-Effective Date Debtors will not pursue any and all available Causes of Action against it. Unless any Causes of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, transferred in connection with an Asset Sale, or settled under the Plan, the Debtors or Post-Effective Date Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of, entry of the Confirmation Order or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the Post-Effective Date Debtors. The Post-Effective Date Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to, or action, order, or approval of, the Bankruptcy Court.

vi. Release of Liens

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors' Estates shall be fully released, settled, and compromised, and the holder of such mortgages, deeds of trust, Liens, pledges, or other security interest against any property of the Debtors' Estates shall be authorized to take such actions as may be reasonably requested by the Debtors to evidence such releases.

vii. Director and Officer Liability Insurance

The Debtors shall be deemed to have assumed all of the Debtors' D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code effective as of the Effective Date, and coverage for defense and indemnity under any of the D&O Liability Insurance Policies shall remain available to all individuals within the definition of "Insured" in any of the D&O Liability Insurance Policies. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance

Policies. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be filed.

In addition, after the Effective Date, none of the Post-Effective Date Debtors shall terminate or otherwise reduce the coverage under any D&O Liability Insurance Policies in effect on or after the Petition Date, with respect to conduct occurring prior thereto, and all directors and officers of the Debtors who served in such capacity on or at any time prior to the Effective Date shall be entitled to the full benefits of any such policy (including any "tail" policy) for the full term of such policy regardless of whether such directors and officers remain in such positions after the Effective Date, in each case to the extent set forth in such policies.

viii. **Exemption from Certain Transfer Taxes and Fees**

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto, including any Asset Sales, or the issuance, transfer or exchange of any security under the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

ix. **Tax Structure**

To the extent practicable, the transactions contemplated by the Plan, and the consideration received in connection therewith, shall be structured in a manner that (i) minimizes any current taxes payable as a result of the consummation of such transactions and (ii) optimizes the tax efficiency (including, but not limited to, by way of the preservation or enhancement of favorable tax attributes) of such transactions to the Debtors, the Post-Effective Date Debtors, and the holders of equity or debt in the Reorganized Debtors going forward, in each case as determined by the Requisite Consenting Lenders and the Debtors.

2. Means for Implementation Specific to an Entire Company Asset Sale

The following provisions shall apply only if the Entire Company Asset Sale Trigger Occurs.

i. **The Wind-Down Debtors**

The Wind-Down Debtors shall continue to exist after the Effective Date for purposes of (a) dissolving and winding down the Debtors' business and affairs as expeditiously as reasonably possible in accordance with the Wind-Down Budget, (b) resolving Disputed Claims, (c) making distributions on account of Allowed Claims as provided hereunder, (d) establishing and funding the Distribution Reserve Accounts in accordance with Article VIII of the Plan, (e) filing

appropriate tax returns, (f) complying with continuing obligations under the Entire Company Asset Sale Agreements, if any, and (g) administering the Plan. Subject in all respects to the terms of the Plan, each of the Wind-Down Debtors shall be dissolved and wound up as soon as practicable on or after the Effective Date, and notwithstanding any requirements under non-bankruptcy law all corporate actions required by the Debtors, or the Post-Effective Date Debtors in connection with such dissolution and winding up shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, or the Post-Effective Date Debtors.

The Wind-Down Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (i) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court and (ii) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Plan Administrator to file motions or substitutions of parties or counsel in each such matter.

ii. **Vesting of Assets of the Wind-Down Debtors**

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated herein or therein, on the Effective Date, the assets of the Debtors shall vest in the Wind-Down Debtors for the purpose of liquidating the Estates, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, the Wind-Down Debtors may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

iii. **Plan Administrator**

The Plan Administrator shall act for the Wind-Down Debtors in the same fiduciary capacity as applicable to a board of directors, board of managers, managing members and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as directors, managers, managing members or officers of the Debtors shall be deemed to have resigned, and the Plan Administrator shall be appointed as the sole director, sole manager, sole managing member and sole officer of each of the Wind-Down Debtors. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtors, pursuant to the terms of the Plan, Confirmation Order, and Plan Administrator Agreement, as further described in Article VII of the Plan.

iv. **Boards of the Wind-Down Debtors**

As of the Effective Date, without any further action required on the part of any such person or of the Debtors or the Debtors' officers, directors, managers, shareholders, or members, (i) all members of the existing board of directors or managers (and all committees thereof), as applicable, or the managing member or manager, as applicable, of each of the Wind-Down Debtors shall automatically cease to serve in such capacity and shall be deemed to have been removed from such

positions (ii) all remaining officers of each of the Wind-Down Debtors shall automatically cease to serve in such capacity and shall be deemed to have resigned from such positions, as of the Effective Date, and (iii) the Plan Administrator shall be deemed to have been elected or appointed as the sole director, sole manager, sole managing member and sole officer, as applicable, of each of the Wind-Down Debtors; provided however, that all directors, managers, managing members and officers of the Debtors who served in such capacity on or at any time prior to the Effective Date shall be entitled to the full benefits of any applicable D&O Liability Insurance Policies as provided in Article IV.A.7 of the Plan, for the full term of such policies.

3. Means for Implementation Specific Reorganization Transaction

If the Entire Company Asset Sale Trigger does not occur, the terms of the Plan will be implemented through a Reorganization Transaction. The Reorganization Transaction may include one or more Partial Asset Sales. Any Partial Assets Sales shall be consummated pursuant to the Confirmation Order and other provisions of the Plan (including Article IV.A.4 of the Plan). The following provisions describe provisions that will apply only if the Plan is implemented through a Reorganization Transaction.

i. Sources of Consideration for Plan Distributions

The Reorganized Debtors shall fund distributions under the Plan from the following sources: (a) Cash on hand, including Cash from operations and Partial Asset Sale Proceeds, if any, and (b) the proceeds of any Exit Facility. Cash payments to be made pursuant to the Plan will be made by the Debtors or Reorganized Debtors, as applicable.

ii. Vesting of Assets

Except as otherwise provided in a Partial Asset Sale Agreement, the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors, including interests held by the Debtors in their respective non-Debtor subsidiaries, shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in a Partial Asset Sale Agreement or the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

iii. Reorganized AAC Equity Interests and New Warrants; Reporting Upon Emergence

On the Effective Date, the Reorganized Debtors shall issue the Reorganized AAC Equity Interests and New Warrants, if any, as set forth in the Plan. In the case of a Reorganization Transaction, the Reorganized AAC Equity Interests shall be distributed to Holders of Allowed Junior Lender Secured Claims in accordance with Article III of the Plan and Article IV.C.3 thereof and, in the case of an Exit Term Loan Facility, the New Warrants shall be distributed to Holders of Allowed DIP Lender Claims and Allowed Senior Lender Claims. The issuance of Reorganized AAC Equity Interests and the New Warrants (if applicable), as well as options, or other equity

awards, if any, reserved under the Management Incentive Plan, is duly authorized without the need for any further corporate action and without any further action by the Debtors or Reorganized Debtors or the Holders of Claims.

All Reorganized AAC Equity Interests and New Warrants issued and distributed under the Plan shall be (including the securities issuable upon exercise of the New Warrants, when issued upon such exercise in accordance with the terms of the New Warrants) duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, Reorganized AAC Holdings shall enter into the New Stockholders' Agreement with each Entity that receives a distribution of Reorganized AAC Equity Interests or New Warrants pursuant to the Plan, and each such Entity shall be deemed as a result of having received distributions of Reorganized AAC Equity Interests pursuant to the Plan to have accepted terms of the New Stockholders Agreement and the New Organizational Documents, in each case without the need for execution by any party thereto other than Reorganized AAC Holdings. As of the Effective Date, the New Stockholders Agreement shall be valid, binding, and enforceable in accordance with its terms by and against each of the parties thereto, and each holder of Reorganized AAC Equity Interests and each holder of New Warrants shall be bound thereby. Without limiting the foregoing, it shall be a condition to the receipt of any Reorganized AAC Equity Interests or any New Warrants that, prior to such receipt, each such recipient duly executes and delivers to the Debtors a duly executed counterpart signature page to the New Stockholders Agreement.

Upon the Effective Date, (i) the Reorganized AAC Equity Interests shall not be registered under the Securities Act and shall not be listed for trading on any national securities exchange, (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act, (iii) Reorganized AAC Holdings shall not be required to and will not file Exchange Act reports with the SEC or any other entity or party, and (iv) Reorganized AAC Holdings shall not be required to file monthly operating reports with the Bankruptcy Court after the Effective Date. The Reorganized AAC Equity Interests and the New Warrants will be issued pursuant to section 1145 of the Bankruptcy Code and be freely transferrable under applicable securities laws without further registration, subject to certain restrictions on transfers by affiliates and underwriters under applicable securities laws. Notwithstanding the foregoing, the Reorganized AAC Equity Interests and the New Warrants shall be subject to transfer restrictions that prohibit any transfer thereof that Reorganized AAC Holdings determines will or could reasonably be expected to result in (i) the number of "holders of record" (as such concept is understood for purposes of Section 12(g) of the Exchange Act) of the Reorganized AAC Equity Interests exceeding the applicable thresholds for registration under Section 12(g) of the Exchange Act or (ii) Reorganized AAC Holdings otherwise being required to register the Reorganized AAC Equity Interests under the Exchange Act, assuming for purposes of (i) and (ii) that all outstanding New Warrants are exercised at the time of such transfer, and any such purported or attempted transfer of New Warrants or Reorganized AAC Equity Interests, as applicable, shall not be recognized by Reorganized AAC Holdings or its stock transfer agent or warrant agent, as applicable.

iv. **Exit Facility**

On the Effective Date, the Reorganized Debtors shall enter into the Exit Facility. Confirmation of the Plan shall be deemed approval of the Exit Facility and the Exit Facility Documents, and all transactions contemplated thereby, and all actions to be taken, undertakings to

be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the Exit Facility Documents and such other documents as may be required to effectuate the Exit Facility.

On the Effective Date all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (i) shall be deemed to be granted, (ii) shall be legal, binding, and enforceable Liens on, and security interests in, the applicable collateral in accordance with the respective terms of the Exit Facility Documents, (iii) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (iv) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable nonbankruptcy law. The Reorganized Debtors and the Entities that grant such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order (subject solely to the occurrence of the Effective Date) and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

The Debtors will need an Acceptable Exit Facility that provides at least $15 to $20 million of working capital. The Debtors expect this Acceptable Exit Facility to be a revolving credit facility secured with a first lien on the Reorganized Debtors' receivables and inventory. The Debtors are currently soliciting potential lenders. Further details will be included in the Plan Supplement.

v. Corporate Existence

Except as otherwise provided in the Plan, the New Organizational Documents, the New Stockholders' Agreement, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval. Notwithstanding the foregoing, in the event of a Reorganization Transaction, Reorganized AAC Holdings shall be redomiciled as a Delaware corporation, pursuant to a statutory conversion or otherwise, on the Effective Date prior to the issuance of the Reorganized AAC Equity Interests and New Warrants.

vi. **Corporate Action**

Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the implementation of the Reorganization Transaction; (b) the selection of the directors and officers for the Reorganized Debtors; (c) the entry into the Exit Facility and the incurrence of credit thereunder; (d) the adoption of the Management Incentive Plan, if any, by the New Board; (e) the issuance and distribution of the Reorganized AAC Equity Interests and, if applicable, the New Warrants; and (f) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors, or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Facility, the Reorganized AAC Equity Interests, the New Warrants (if applicable) and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by Article IV.C.6 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

vii. **New Organizational Documents**

On or after the Effective Date, each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state of incorporation or formation in accordance with the applicable laws of the respective state of incorporation or formation. The New Organizational Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective states of incorporation and their respective New Organizational Documents, without further order of the Bankruptcy Court.

viii. **New Board**

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire and such board members will be deemed to have resigned, and the New Board and new officers of each of the Reorganized Debtors shall be appointed in accordance with the New Organizational Documents and other constituent documents of each Reorganized Debtor. The initial composition of the New Board shall be the New Board Composition.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent reasonably practicable, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the New Board, as well as those Persons that will

serve as officers of the Reorganized Debtors. To the extent any such director or officer is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Provisions regarding the removal, appointment, and replacement of members of the New Board will be disclosed in the New Organizational Documents.

ix. **Management Incentive Plan**

Within a reasonable time after the Effective Date, the New Board shall adopt a management incentive plan (the "Management Incentive Plan") that provides for the issuance of restricted stock units, options, stock appreciation rights and/or other similar appreciation awards of up to 10% of the Reorganized AAC Equity Interests (on a fully diluted basis) to management, key employees and directors of the Reorganized Debtors. The participants in the Management Incentive Plan, the timing and allocations of the awards to participants, and the other terms and conditions of such awards (including, but not limited to, vesting, exercise prices, base values, hurdles, forfeiture, repurchase rights and transferability) shall be determined by the New Board in its discretion.

x. **Employee Obligations**

Upon the consent of the Requisite Consenting Lenders, on the Effective Date, the Debtors (other than any Debtor whose assets are sold pursuant to a Partial Asset Sale) shall be deemed to have assumed each of the written contracts, agreements, policies, programs and plans for compensation, bonuses, reimbursement, health care benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave benefits, savings, severance benefits, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements, policies, programs and plans for bonuses and other incentives or compensation for the Debtors' current and former employees, officers, and managers, including executive compensation programs and existing compensation arrangements for the employees of the Debtors (but excluding any severance agreements with any of Debtors' former employees).

xi. **Indemnifications Obligations**

Notwithstanding anything in the Plan to the contrary each Indemnification Obligation shall, subject to the consent of the Requisite Consenting Lenders (in their sole discretion), be assumed by the applicable Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise, shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive confirmation of the Plan, irrespective of when such obligation arose. Upon the consent of the Requisite Consenting Lenders (in their sole and absolute discretion), the Debtors shall assume the Indemnification Obligations for the directors, officers, managers, employees, and other professionals of the Debtors, in their capacities as such, who served or were employed by the Debtors as of or after the Petition Date, irrespective of whether such person has exhausted all remedies under applicable D&O Liability Insurance Policies (subject in each case to the terms of the applicable Indemnification Obligation as in effect on the date of the act or omission for which indemnification is sought). To the extent assumed by the Debtors in accordance with Article IV.11 of the Plan, any Claim based on the Debtors' obligations in Article IV.11 of the Plan shall not be a Disputed Claim or subject to any objection, in either case, by reason of section 502(e)(1)(B) of

the Bankruptcy Code or otherwise. Notwithstanding the foregoing, nothing shall impair the ability of the Post-Effective Date Debtors to modify indemnification obligations (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) arising after the Effective Date; *provided*, *however*, that the assumption of the obligations under the Indemnification Obligations shall not be deemed an assumption by the Debtors of any contract, agreement, resolution, instrument or document in which such Indemnification Obligations are contained, memorialized, agreed to, embodied or created (or any of the terms or provisions thereof) if such contract, agreement, resolution, instrument or document requires the Debtors or the Reorganized Debtors to make any payments or provide any arrangements (including any severance payments) to any current or former director or officer of any of the Debtors other than indemnification payments, reimbursement, and advancement expenses and other similar payments, in each case only pursuant to the Indemnification Obligations.

D. Treatment of Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, in any Asset Sale Agreements, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan or any Asset Sale Agreements, as of the Effective Date, each Debtor will be deemed to have assumed (and in the case of any Asset Sales, assumed and assigned to the applicable Buyer) each Executory Contract or Unexpired Lease to which such Debtor is a party, unless such Executory Contract or Unexpired Lease (i) was previously assumed or rejected; (ii) was previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion or notice to reject Filed on or before the Confirmation Date; or (iv) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases.

The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions (or assumptions and assignments, as applicable) or rejections described above as of the Effective Date. Unless otherwise indicated, all assumptions, assumptions and assignments, and rejections of Executory Contracts and Unexpired Leases in the Plan will be effective as of the Effective Date. Each Executory Contract and Unexpired Lease assumed or assumed and assigned pursuant to the Plan, or by Bankruptcy Court order, will vest in and be fully enforceable by the applicable Reorganized Debtor or assignee in accordance with its terms, except as such terms may have been modified by order of the Bankruptcy Court.

Notwithstanding the foregoing paragraph or anything contrary herein or in the Plan, the Debtors reserve the right, with the consent of the Requisite Consenting Lenders or Buyer(s), as applicable, to alter, amend, modify, or supplement the Executory Contracts and Unexpired Leases identified for assumption, assumption and assignment, or rejection in the Plan Supplement prior to the Effective Date.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by an order of the Bankruptcy Court, any Proofs of Claim based on the rejection of the Debtors' Executory Contracts or Unexpired Leases pursuant to the Plan or otherwise, must be Filed with the Noticing and Claims Agent no later than the later of (i) thirty (30) days after the Effective Date and (ii) the Bar Date established in the Chapter 11 Cases.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors, as applicable, or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan.

3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under an Executory Contract or Unexpired Lease to be assumed or assumed and assigned pursuant to the Plan, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Claim, as reflected on the Cure Notice or as otherwise agreed or determined by a Final Order of the Bankruptcy Court, in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described below, or on such other terms as the parties to such Executory Contract or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any Cure Claim (2) the ability of the Reorganized Debtors or any assignee (including a Buyer), as applicable, to provide "adequate assurance of future performance" (with the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the Cure Claims shall be paid following the entry of a Final Order resolving the dispute and approving the assumption. To the extent the Bankruptcy Court determines that the amount of a Cure Claim for an Executory Contract or Unexpired Lease is greater than the amount reflected on the Cure Notice related to such Cure Claim, the Debtors or Post-Effective Date Debtors shall have the right to reject such Executory Contract or Unexpired Lease and, in such an instance, shall not be required to pay the Cure Claim.

At least fourteen (14) days before the Voting Deadline, the Debtors shall distribute, or cause to be distributed, Cure Notices to the applicable third parties. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to the proposed assumption, assumption and assignment, or related Cure amount must be Filed by the Cure/Assumption Objection Deadline**. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, assumption and assignment, or Cure Notice will be deemed to have assented to such assumption or assumption and assignment, and Cure amount. To

the extent that the Debtors seek to assume and assign an Unexpired Lease pursuant to the Plan, the Debtors will identify the assignee in the applicable Cure Notice and/or Schedule and provide "adequate assurance of future performance" for such assignee (within the meaning of section 365 of the Bankruptcy Code) under the applicable Executory Contract or Unexpired Lease to be assumed and assigned.

Assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, and the payment of the Cure Claim, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

4. Insurance Policies

All of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the Post-Effective Date Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto.

5. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

6. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan or any Asset Sale Agreement, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Debtor or Reorganized Debtor has any liability thereunder.

7. Nonoccurrence of Effective Date

If the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting any Executory Contract or Unexpired Lease pursuant to section 365(d)(4) of the Bankruptcy Code.

8. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into in the ordinary course of business after the Petition Date by any Debtor, including any Executory Contracts and/or Unexpired Leases assumed by such Debtor, will be performed by the applicable Reorganized Debtor or the Buyer(s), as applicable, in the ordinary course of its business, and will survive and remain unaffected by entry of the Confirmation Order, except as provided therein.

E. Provisions Governing Distributions

1. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. Delivery of Distributions and Undeliverable or Unclaimed Distributions

i. Delivery of Distributions in General

Except as otherwise provided in the Plan (including the subsequent paragraph of Article VI.B.1 of the Plan), distributions to Holders of Allowed Claims or Interests shall be made to Holders of record as of the Distribution Record Date by the Reorganized Debtors: (1) to the signatory set forth on any Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (2) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors after the date of any related Proof of Claim; (3) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Reorganized Debtors have not received a written notice of a change of address; or (4) on any counsel that has appeared in the Chapter 11 Cases on such Holder's behalf. Subject to Article VI of the Plan, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Post-Effective Date Debtors, and the Plan Administrator shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

All Distributions on account of Allowed DIP Lender Claims, Allowed Senior Lender Claims, and Allowed Junior Lender Claims shall be made to or at the direction of the DIP Agent, Senior Lien Agent, and Junior Lien Agent, as applicable, for further distribution to the DIP Lenders, Senior Lenders, and Junior Lenders, as applicable, in accordance with the Plan and the DIP Credit Agreement, Senior Lien Credit Agreement, and Junior Lien Credit Agreement, as applicable, and shall be deemed completed when made to or at the direction of the DIP Agent, Senior Lien Agent, and Junior Lien Agent, as applicable. For the avoidance of doubt: (i) the Reorganized AAC Equity Interests and New Warrants will be in book entry form only; (ii) the DIP Agent, Senior Lien Agent, and Junior Lien Agent shall have no liability to any party for actions taken in accordance with the Plan or in reliance upon information provided to it in accordance with the Plan; and (iii) the Reorganized Debtors shall reimburse the DIP Agent, Senior Lien Agent, and Junior Lien Agent for any reasonable and documented fees and expenses (including reasonable and documented fees and expenses of its counsel and agents) incurred on or after the Effective Date in connection with the implementation of the Plan, including but not limited to, making distributions pursuant to and in accordance with the Plan.

ii. **No Fractional Distributions**

No fractional shares of Reorganized AAC Equity Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of Reorganized AAC Equity Interests that is not a whole number, the actual distribution of shares of Reorganized AAC Equity Interests shall be rounded as follows: (a) fractions of one half or greater shall be rounded to the next higher whole number and (b) fractions of less than one half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares of Reorganized AAC Equity Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

iii. **Minimum Distributions**

Holders of Allowed Claims entitled to distributions of $100 or less shall not receive distributions, and each such Claim shall be discharged pursuant to Article X of the Plan and its Holder is forever barred pursuant to Article X of the Plan from asserting that Claim against the Reorganized Debtors or their property.

iv. **Undeliverable Distributions and Unclaimed Property**

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Reorganized Debtors or the Plan Administrator, as applicable, have determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the date that is six (6) months after the Effective Date. After such date, all unclaimed property or interests in property shall revert to the applicable Post-Effective Date Debtor, without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

3. Registration or Registration Exemption

If a Reorganization Transaction occurs, the Reorganized AAC Equity Interests and the New Warrants will be "securities," as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

The offering, distribution, issuance and sale of the Reorganized AAC Equity Interests and the New Warrants as contemplated by the Plan will be exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration of the Reorganized AAC Equity Interests and the New Warrants prior to the offering, issuance, distribution, or sale thereof, to the fullest extent permitted by Section 1145 of the Bankruptcy Code. The Reorganized AAC Equity Interests and the New Warrants issued pursuant to Section 1145 of the Bankruptcy Code (i) will not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) will be freely transferable by any initial recipient thereof that (a) is not an "affiliate" of the issuer of the Reorganized AAC Equity Interests as defined in Rule 144(a)(1) under the Securities Act, (b) has not been such an "affiliate" within 90 days of such transfer, and (c) is not an "underwriter" as defined in Section 1145(b) of the Bankruptcy Code, subject to the applicable restrictions on transfer set forth in the New Organizational Documents and any applicable regulatory approval.

The Reorganized AAC Equity Interests or New Warrants issued otherwise than pursuant to Section 1145 under the Bankruptcy Code, if any (e.g., those issued to a person who is an "underwriter" as defined in Section 1145(b) of the Bankruptcy Code), will be issued in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act or any other available exemption from registration under the Securities Act, as applicable, and will be "restricted securities" as defined under Rule 144 under the Securities Act. These securities will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration under the Securities Act or pursuant to an applicable exemption from registration under the Securities Act and other applicable law, subject to the applicable restrictions on transfer set forth in the New Organizational Documents and any applicable regulatory approval. All persons who receive restricted securities pursuant to the Plan will be required to agree that they will not offer, sell or otherwise transfer any such shares except in accordance with an applicable exemption from registration under the Securities Act, and each such person will also be required to represent that such person is an "accredited investor", as defined under Rule 501(a) promulgated under the Securities Act.

4. Tax Issues and Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors, the Post-Effective Date Debtors, or the Plan Administrator, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Post-Effective Date Debtors or the Plan Administrator, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding

distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Property deposited into the various Claim distribution accounts described elsewhere in the Plan (including the Priority Claims Reserve, Other Secured Claims Reserve, and the General Account) will be subject to disputed ownership fund treatment under section 1.468B-9 of the United States Treasury Regulations. All corresponding elections with respect to such accounts shall be made, and such treatment shall be applied to the extent possible for state, local, and non-U.S. tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts, any taxes (including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution) imposed on such accounts shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes).

5. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed herein.

6. No Postpetition Interest on Claims

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim.

7. Setoffs and Recoupment

The Debtors or the Post-Effective Date Debtors, as applicable, may, but shall not be required to, set off against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Debtors or the Post-Effective Date Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Post-Effective Date Debtors of any such Claim it may have against the Holder of such Claim.

8. Claims Paid or Payable by Third Parties

i. **Claims Paid by Third Parties**

To the extent that the Holder of an Allowed Claim receives payment in full on account of such Claim from a party that is not a Debtor or Post-Effective Date Debtor, such Claim shall be Disallowed without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or Post-Effective Date Debtor on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Debtor or Post-Effective Date Debtor, to the extent the

Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or Post-Effective Date Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

ii. **Claims Payable by Third Parties**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

iii. **Applicability of Insurance Policies**

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Notwithstanding anything herein to the contrary (including, without limitation, Article X of the Plan), nothing shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

F. The Plan Administrator

The following provisions shall apply only if the Entire Company Asset Sale Trigger occurs and a Plan Administrator is appointed.

1. The Plan Administrator

The powers of the Plan Administrator shall be set forth in the Plan Administrator Agreement and shall include any and all powers and authority to implement the Plan and to administer and distribute the Distribution Reserve Accounts and wind down the business and affairs of the Debtors and Wind-Down Debtors, including: (1) liquidating, receiving, holding, investing, supervising, and protecting the assets of the Wind-Down Debtors in accordance with the Wind-Down Reserve; (2) taking all steps to execute all instruments and documents necessary to effectuate the distributions to be made under the Plan from the Distribution Reserve Accounts in accordance with the Wind-Down Reserve; (3) making distributions from the Distribution Reserve Accounts as contemplated under the Plan; (4) establishing and maintaining bank accounts in the name of the Wind-Down Debtors; (5) subject to the terms set forth herein, employing, retaining, terminating, or replacing professionals to represent it with respect to its responsibilities or otherwise effectuating the Plan to the extent necessary; (6) paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind-Down Debtors; (7) administering and paying taxes of the Wind-Down Debtors, including filing tax returns; (8) representing the interests of the Wind-

Down Debtors or the Estates before any taxing authority in all matters, including any action, suit, proceeding, or audit; (9) reconciling, objecting to, and resolving Claims in accordance with Article IX of the Plan, (10) pursuing any Causes of Action included in the Plan Administrator Assets, and (11) exercising such other powers as may be vested in it pursuant to order of the Bankruptcy Court, pursuant to the Plan, pursuant to the Plan Administrator Agreement, or as it reasonably deems to be necessary and proper to carry out the provisions of the Plan in accordance with the Wind-Down Reserve.

The Plan Administrator may resign at any time upon 30 days' written notice delivered to the Consenting Lenders and the Bankruptcy Court; provided that such resignation shall only become effective upon the appointment of a permanent or interim successor Plan Administrator, to be chosen by the Consenting Lenders. Upon appointment, the successor Plan Administrator, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of its predecessor and all responsibilities of the predecessor Plan Administrator relating to the Wind-Down Debtors shall be terminated.

i. **Plan Administrator Rights and Powers**

The Plan Administrator shall retain and have all the rights, powers, and duties necessary to carry out his or her responsibilities under the Plan in accordance with the Wind-Down Reserve, and as otherwise provided in the Confirmation Order. The Plan Administrator shall be the representative of the Estates appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

ii. **Wind-Down Budget**

The Debtors shall include in the Plan Supplement, in form and substance satisfactory to the Required Consenting Lenders, a statement of cash receipts and disbursements (which shall include the funding of the Distribution Reserve Accounts and the Professional Fee Escrow Account) and amount of Senior Lender Claims, if any, and Junior Lender Claims outstanding for the Wind-Down, setting forth on a weekly basis, the anticipated uses of the Distributable Proceeds (the "Wind-Down Budget", as may be updated, amended or modified from time to time with the written consent of the Requisite Consenting Lenders).

iii. **Retention of Professionals**

The Plan Administrator shall have the right, subject to the Wind-Down Reserve, to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Plan Administrator, are necessary to assist the Plan Administrator in the performance of his or her duties. The reasonable fees and expenses of such professionals shall be paid by the Wind-Down Debtors from the Wind-Down Reserve upon the monthly submission of statements to the Plan Administrator to the extent set forth in the Wind-Down Reserve. The payment of the reasonable fees and expenses of the Plan Administrator's retained professionals shall be made in the ordinary course of business from the Wind-Down Reserve and shall not be subject to the approval of the Bankruptcy Court.

iv. **Compensation of the Plan Administrator**

The Plan Administrator shall have the right, subject to the Wind-Down Reserve, to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Plan Administrator, are necessary to assist the Plan Administrator in the performance of his or her duties. The reasonable fees and expenses of such professionals shall be paid by the Wind-Down Debtors from the Wind-Down Reserve upon the monthly submission of statements to the Plan Administrator to the extent set forth in the Wind-Down Reserve. The payment of the reasonable fees and expenses of the Plan Administrator's retained professionals shall be made in the ordinary course of business from the Wind-Down Reserve and shall not be subject to the approval of the Bankruptcy Court.

v. **Plan Administrator Expenses**

All costs, expenses and obligations incurred by the Plan Administrator in administering the Plan, the Wind-Down Debtors, or in any manner connected, incidental or related thereto, in effecting distributions from the Wind-Down Debtors thereunder (including the reimbursement of reasonable expenses) shall be incurred and paid in accordance with the Wind-Down Budget. Such costs, expenses and obligations shall be paid from the Wind-Down Reserve.

The Debtors and the Plan Administrator, as applicable, shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. However, in the event that the Plan Administrator is so ordered after the Effective Date, all costs and expenses of procuring any such bond or surety shall be paid for with Cash from the Wind-Down Reserve.

2. Wind-Down

On and after the Effective Date, the Plan Administrator will be authorized to implement the Plan and any applicable orders of the Bankruptcy Court, and the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve the Debtors' Estates.

As soon as practicable after the Effective Date, the Plan Administrator shall: (1) cause the Debtors and the Wind-Down Debtors, as applicable, to comply with, and abide by, the terms of the Entire Company Asset Sale Agreements and any other documents contemplated thereby; (2) to the extent applicable, file a certificate of dissolution or equivalent document, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of their state of incorporation or formation (as applicable); and (3) take such other actions as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of the Plan. The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Plan Administrator.

3. Exculpation, Indemnification, Insurance & Liability Limitation

The Plan Administrator and all professionals retained by the Plan Administrator, each in their capacities as such, shall be deemed exculpated and indemnified, except for fraud, willful

misconduct, or gross negligence, in all respects by the Wind-Down Debtors. The Plan Administrator may obtain, at the expense of the Wind-Down Debtors and with funds from the Wind-Down Reserve, commercially reasonable liability or other appropriate insurance with respect to the indemnification obligations of the Wind-Down Debtors. The Plan Administrator may rely upon written information previously generated by the Debtors.

For the avoidance of doubt, notwithstanding anything to the contrary contained herein, the Plan Administrator in its capacity as such, shall have no liability whatsoever to any party for the liabilities and/or obligations, however created, whether direct or indirect, in tort, contract, or otherwise, of the Debtors.

4. **Tax Returns**

After the Effective Date, the Plan Administrator shall complete and file all final or otherwise required federal, state, and local tax returns for each of the Debtors, and, pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability or refunds due each of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws.

5. Dissolution of the Wind-Down Debtors

At any time the Plan Administrator determines that the expense of administering the Wind-Down Debtors so as to make a final distribution to Holders of Claims is likely to exceed the value of the assets remaining for such distribution, the Plan Administrator may (i) reserve any amount necessary to close the Chapter 11 Cases and dissolve and otherwise wind down the Wind-Down Debtors and (ii) donate any balance to a charitable organization that is unrelated to the Debtors, the Plan Administrator, and any insider of the Plan Administrator.

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Debtors shall be deemed to be dissolved without any further action by the Wind-Down Debtors, including the filing of any documents with the secretary of state for the state in which each Wind-Down Debtor is formed or any other jurisdiction. The Plan Administrator, however, shall have authority to take all necessary actions to dissolve the Wind-Down Debtors in and withdraw the Wind-Down Debtors from applicable state(s).

G. Reserves Administered by the Plan Administrator

The following provisions shall apply only if the Entire Company Asset Sale Trigger occurs and a Plan Administrator is appointed; provided, however, that in the case of a Reorganization Transaction, if the Debtors or Reorganized Debtors, with the consent of the Requisite Consenting Lenders, determine that they are required, or that it is necessary, to establish any of the reserves set forth in Article VIII of the Plan, the Reorganized Debtors (rather than a Plan Administrator) shall administer such reserves in the manner established by Article VIII of the Plan.

1. Establishment of Reserve Accounts

The Plan Administrator shall establish each of the Distribution Reserve Accounts (which may be affected by either establishing a segregated account or establishing book entry accounts, in the sole discretion of the Plan Administrator).

2. Undeliverable Distribution Reserve

i. Deposits

If a distribution to any Holder of an Allowed Claim is returned to the Plan Administrator as undeliverable or is otherwise unclaimed, such distribution shall be deposited in a segregated, interest-bearing account, designated as an "Undeliverable Distribution Reserve," for the benefit of such Holder until such time as such distribution becomes deliverable, is claimed or is deemed to have been forfeited in accordance with Article VIII.B.2 of the Plan.

ii. Forfeiture

Any Holder of an Allowed Claim that does not assert a Claim pursuant to the Plan for an undeliverable or unclaimed distribution within three months after the first distribution is made to such Holder shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for the undeliverable or unclaimed distribution against any Debtor, any Estate, the Plan Administrator, the Wind-Down Debtors, or their respective properties or assets. In such cases, any Cash or other property held by the Wind-Down Debtors in the Undeliverable Distribution Reserve for distribution on account of such claims for undeliverable or unclaimed distributions, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, without any further action or order of the Bankruptcy Court shall promptly be transferred to the General Account to be distributed according to the priority set forth in Article VIII.F of the Plan, notwithstanding any federal or state escheat laws to the contrary.

iii. Disclaimer

The Plan Administrator and his or her respective agents and attorneys are under no duty to take any action to attempt to locate any Claim Holder; provided that in his or her sole discretion, the Plan Administrator may periodically publish notice of unclaimed distributions.

iv. Distribution from Reserve

Within fifteen (15) Business Days after the Holder of an Allowed Claim satisfies the requirements of the Plan, such that the distribution(s) attributable to its Claim is no longer an undeliverable or unclaimed distribution (provided that satisfaction occurs within the time limits set forth in Article VIII.B of the Plan), the Plan Administrator shall distribute out of the Undeliverable Distribution Reserve the amount of the undeliverable or unclaimed distribution attributable to such Claim, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, to the General Account.

3. Wind-Down Reserve

On the Effective Date, the Plan Administrator shall establish the Wind-Down Reserve by depositing Cash, in the amount of the Wind-Down Amount into the Wind-Down Reserve. The Wind-Down Reserve shall be used by the Plan Administrator solely to satisfy the expenses of Wind-Down Debtors and the Plan Administrator as set forth in the Plan and Wind-Down Budget; provided that all costs and expenses associated with the winding up of the Wind-Down Debtors and the storage of records and documents shall constitute expenses of the Wind-Down Debtors and shall be paid from the Wind-Down Reserve to the extent set forth in the Wind-Down Budget. In no event shall the Plan Administrator be required or permitted to use personal funds or assets for such purposes. Any amounts remaining in the Wind-Down Reserve after payment of all expenses of the Wind-Down Debtors and the Plan Administrator shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F of the Plan without any further action or order of the Bankruptcy Court.

4. Priority Claims Reserve

On the Effective Date, the Plan Administrator shall establish the Priority Claims Reserve by depositing Cash in the amount of the Priority Claims Reserve Amount into the Priority Claims Reserve. The Priority Claims Reserve Amount shall be used to pay Holders of all Allowed Priority Claims and Allowed Administrative Claims to the extent that such Priority Claims and Administrative Claims have not been paid in full on or before the Effective Date. If all or any portion of a Priority Claim or Administrative Claim shall become a Disallowed Claim, then the amount on deposit in the Priority Claims Reserve attributable to such surplus or such Disallowed Claim, including the interest that has accrued on said amount while on deposit in the Priority Claims Reserve, shall remain in the Priority Claims Reserve to the extent that the Plan Administrator determines necessary to ensure that the Cash remaining in the Priority Claims Reserve is sufficient to ensure that all Allowed Priority Claims and Allowed Administrative Claims will be paid in accordance with the Plan, and shall otherwise promptly be transferred to the General Account to be distributed in accordance with the Plan without any further action or order of the Bankruptcy Court. Any amounts remaining in the Priority Claims Reserve after payment of all Allowed Priority Claims and Allowed Administrative Claims shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F of the Plan without any further action or order of the Bankruptcy Court.

5. Other Secured Claim Reserve

On the Effective Date, the Plan Administrator shall establish the Other Secured Claims Reserve by depositing Cash in the amount of the Other Secured Claims Reserve Amount into the Other Secured Claims Reserve. The Other Secured Claims Reserve Amount shall be used to pay Allowed Other Secured Claims. If all or any portion of an Other Secured Claim shall become a Disallowed Claim, then the amount on deposit in the Other Secured Claims Reserve attributable to such surplus or such Disallowed Claim, including the interest that has accrued on said amount while on deposit in the Other Secured Claims Reserve, shall remain in the Other Secured Claims Reserve to the extent that the Plan Administrator determines necessary to ensure that the Cash remaining in the Other Secured Claims Reserve is sufficient to ensure that all Allowed Other Secured Claims will be paid in accordance with the Plan, and shall otherwise promptly be

transferred to the General Account to be distributed in accordance with the Plan without any furt her action or order of the Bankruptcy Court. Any amounts remaining in the Other Secured Claims Reserve after satisfaction of all Allowed Other Secured Claims shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F of the Plan without any further action or order of the Bankruptcy Court.

6. Distributable Proceeds/Waterfall Recovery

All Distributable Proceeds shall be allocated and paid to the applicable Holders of Claims in the following priority (in each case on a Pro Rata basis): (i) *first*, on account of Allowed DIP Lender Claims until Paid in Full; (ii) *second*, on account of Allowed Senior Lender Claims until Paid in Full; (iii) *third*, on account of Allowed Junior Lender Secured Claims until Paid in Full; and (iv) *fourth*, on account of Allowed General Unsecured Claims (the "Waterfall Recovery").

7. The General Account and Distribution Reserve Account Adjustments

Beginning on the six-month anniversary of the Effective Date or at such other times as the Plan Administrator shall determine is appropriate, and thereafter, on each six-month interval or such other interval as the Plan Administrator shall determine is appropriate, the Plan Administr ator shall determine the amount of Cash required to adequately maintain each of the Distribution Reserve Accounts. If after making and giving effect to any determination referred to in the immediately preceding sentence, the Plan Administrator determines that any Distribution Reserve Account (i) contains Cash in an amount in excess of the amount then required to adequately maintain such Distribution Reserve Account, then at any such time the Plan Administrator shall transfer such surplus Cash to the General Account to be used or distributed according to the priority set forth in Article VIII.F thereof, or (ii) does not contain Cash in an amount sufficient to adequately maintain such Distribution Reserve Account, then at any such time the Plan Administrator shall, with the consent of the Required Consenting Lenders, transfer Cash from the General Account, to the extent Cash is available in the General Account until the deficit in such Distribution Reserve Account is eliminated. Any funds in the General Accoun t not needed to eliminate a Distribution Reserve Account deficit shall be allocated and paid as Distributable Proceeds pursuant to the Waterfall Recovery as set forth in Article VIII.F of the Plan.

8. GUC Disputed Claims Reserve

To the extent that there are sufficient Distributable Proceeds pursuant to the Waterfall Recovery to make one or more distributions to Holders of Allowed General Unsecured Claims, the Plan Administrator shall establish, for the benefit of each holder of a Disputed General Unsecured Claim, the GUC Disputed Claims Reserve consisting of Cash in an amount equal to the Pro Rata share of distributions that would have been made to the holder of such Disputed General Unsecured Claim if it were an Allowed General Unsecured Claim in an amount equal to the lesser of (i) the liquidated amount set forth in the filed Proof of Claim relating to such Disputed General Unsecured Claim or if no Proof of Claim has been filed the liquidated amount set forth in the Schedules, (ii) the amount in which the Disputed General Unsecured Claim has been estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code as constituting and representing the maximum amount in which such Claim may ultimately become an Allowed General Unsecured Claim or (iii) such other amount as may be agreed upon by the holder of such

Disputed General Unsecured Claim and the Plan Administrator. Amounts held in the GUC Disputed Claims Reserve shall be retained by the Wind Down Debtors for the benefit of holders of Disputed General Unsecured Claims pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any Disputed General Unsecured Claim pending the entire resolution thereof by Final Order.

At such time as a Disputed General Unsecured Claim becomes an Allowed General Unsecured Claim, the Plan Administrator shall distribute to the holder thereof the distributions, if any, to which such holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing such Disputed General Unsecured Claim becomes a Final Order.

If a Disputed General Unsecured Claim is Disallowed, in whole or in part, the Plan Administrator shall distribute amounts held in the GUC Disputed Claims Reserve with respect to such Claim (or, if Disallowed in part, the amounts held in the GUC Disputed Claims Reserve with respect to the Disallowed portion of such Claim) to the General Account.

H. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. Allowance of Claims

After the Effective Date, the Plan Administrator or each of the Reorganized Debtors, as applicable, shall have and retain any and all rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

2. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Plan Administrator or the Reorganized Debtors, as applicable, shall have the sole authority to File and prosecute objections to Claims, and the Plan Administrator or Reorganized Debtors, as applicable, shall have the sole authority to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise; (2) settle, compromise, or resolve any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

3. Estimation of Claims

Before, on, or after the Effective Date, the Debtors, Plan Administrator or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim pursuant to applicable law, including, without limitation, pursuant to section

502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors, Plan Administrator or Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

4. Adjustment to Claims Without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register as directed by the Debtors, the Plan Administrator or the Reorganized Debtors, as applicable, without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

5. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

6. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors, the Plan Administrator or the Reorganized Debtors, as applicable. All Proofs of Claim Filed on account of an Indemnification Obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as otherwise provided herein or as agreed to by the Plan Administrator or the Reorganized Debtors, as applicable, any and all Proofs of Claim Filed after the Claims Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive

any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

7. Amendments to Claims

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court, or by agreement with the Plan Administrator or the Reorganized Debtors, as applicable, and any such new or amended Claim Filed shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law, unless otherwise ordered by the Bankruptcy Court.

8. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim or unless otherwise determined by the Plan Administrator or Reorganized Debtors, as applicable.

9. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

I. Settlement, Release, Injunction, and Related Provisions

1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have, or any distribution to be made on account of such Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Post-Effective Date Debtors, as applicable, may compromise and settle any Claims and Causes of Action against other Entities.

2. Discharge of Claims and Termination of Interests

To the maximum extent provided by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan (including the Exit Facility Documents and the New Organizational Documents, as applicable): (a) the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of any and all Claims (including any Intercompany Claims resolved or compromised (consistent with the Reorganization Transaction) after the Effective Date by the Post-Effective Date Debtors), Interests (including any Intercompany Interests reinstated or cancelled and released (consistent with the Reorganization Transaction) after the Effective Date by the Post-Effective Date Debtors), and Causes of Action against the Debtors of any nature whatsoever including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such liability relates to services performed by employees of the Debtors prior to the Effective Date and that arises from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, any interest accrued on Claims or Interests from and after the Petition Date, and all other liabilities against, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, (b) the Plan shall bind all holders of Claims and Interests, (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code, and (d) all Entities shall be precluded from asserting against the Debtors, their respective Estates, the Post-Effective Date Debtors, their successors and assigns, and its assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, in each case regardless of whether or not: (i) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; (iii) the Holder of such a Claim or Interest has accepted, rejected or failed to vote to accept or reject the Plan; or (iv) any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests. Any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

3. Term of Injunctions or Stays

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

4. Release of Liens

Except as otherwise specifically provided in the Plan (including, without limitation the satisfaction of the DIP Lender Claims in accordance with Article II.C of the Plan), the Exit Facility Documents, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Post-Effective Date Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or Reorganized Debtors. The DIP Agent, Senior Lien Agent, and Junior Lien Agent shall execute and deliver all documents reasonably requested by the Post-Effective Date Debtors or the agent(s) under the Exit Facility to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorize the Post-Effective Date Debtors to file UCC-3 termination statements (to the extent applicable) with respect thereto.

5. Debtor Release

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed forever released, waived, and discharged by the Debtors, Post-Effective Date Debtors, and their respective Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that the Debtors, Post-Effective Date Debtors, or their respective Estates would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in the Debtors based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, the Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other

occurrence taking place on or before the Effective Date except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Debtor Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; a good faith settlement and compromise of the Claims released by the Debtor Release; in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any of the Debtors, Post-Effective Date Debtors, or the Debtors' respective Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

IF THE PLAN IS CONFIRMED AND THIS DEBTOR RELEASE IS APPROVED AS PROPOSED, THEN TO THE EXTENT HOLDERS OF CLAIMS OR INTERESTS HAVE ANY DERIVATIVE CLAIMS OR CAUSES OF ACTION AGAINST THE RELEASED PARTIES THAT ARE ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS OR THEIR RESPECTIVE ESTATES, SUCH DERIVATIVE CLAIMS AND CAUSES OF ACTION WOULD BE RELEASED.

6. Release by Holders of Claims or Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party is deemed to have forever released, waived, and discharged each of the Debtors, Reorganized Debtors, and Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan

Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; a good faith settlement and compromise of the Claims released by the Third-Party Release; in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

7. Exculpation

Notwithstanding anything contained in the Plan to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Cause of Action or any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of

property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

The Exculpated Parties have, and upon confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

Notwithstanding anything to the contrary in the foregoing, the exculpation set forth above does not release or exculpate any Claim relating to any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan.

8. Mutual Release Between Debtors and Consenting Lenders

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, (i) each of (a) the Debtors, (b) the Post-Effective Date Debtors, (c) their respective Estates, and (d) with respect to the foregoing clauses (a) through (c), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such (with respect to the foregoing clauses (a) through (d), the "Debtor Parties") is deemed released and discharged by each of (x) the Consenting Lenders and (y) each Consenting Lender's current and former Affiliates, and such Consenting Lender's and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such (with respect to the foregoing clauses (x) and (y), the "Consenting Lender Parties") and (ii) each of the Consenting Lender Parties is deemed released and discharged by each of the Debtor Parties, in each case in the foregoing clauses (i) and (ii) on behalf of themselves and their respective successors, assigns, and

representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any intercompany transaction, the Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Mutual Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Mutual Release.

9. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (a) are subject to compromise and settlement pursuant to the terms of the Plan; (b) have been released by the Debtors pursuant to the Plan; (c) have been released by third parties pursuant to the Plan, (d) are subject to exculpation pursuant to the Plan; or (e) are otherwise discharged, satisfied, stayed or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, Post-Effective Date Debtors, the Released Parties, or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating,

perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests discharged, released, exculpated, or settled pursuant to the Plan.

10. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Post-Effective Date Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Post-Effective Date Debtors, or another Entity with whom the Post-Effective Date Debtors have been associated, solely because the Debtors have been debtors under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

11. Recoupment

In no event shall any Holder of a Claim be entitled to recoup against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has provided notice of such recoupment in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

12. Subordination Rights.

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

J. Conditions Precedent to Confirmation and the Effective Date

1. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C thereof):

i. The Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated by the Debtors or the Requisite Consenting Lenders;

ii. The final version of the schedules, documents, and exhibits contained in the Plan Supplement, and all other schedules, documents, supplements and exhibits to the Plan, shall be consistent with the Restructuring Support Agreement in all material respects and otherwise approved by the Requisite Consenting Lenders and the Debtors consistent with their respective consent and approval rights in the Restructuring Support Agreement; and

iii. The Disclosure Statement Order, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified or vacated on appeal, and (c) shall have become a Final Order.

2. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C thereof):

i. The Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated by the Debtors or the Requisite Consenting Lenders;

ii. All Transaction Expenses shall have been Paid in Full in Cash;

iii. The Debtors shall not be in default under the DIP Credit Agreement or the DIP Orders (or, to the extent that the Debtors have been or are in default on the proposed Effective Date, such default shall have been waived by the DIP Lenders or cured in a manner consistent with the DIP Credit Agreement and the DIP Order, as applicable);

iv. The DIP Lender Claims shall have been Paid in Full or otherwise satisfied in accordance with Article II.C of the Plan;

v. In the case of a Reorganization Transaction, (a) all conditions precedent to the effectiveness of the Exit Facility shall have been satisfied or duly waived; and (b) the Minimum Liquidity Condition shall have been satisfied;

vi. In the case of a Reorganization Transaction, the New Organizational Documents shall have been filed with the appropriate governmental authority, as applicable;

vii. The Confirmation Order, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified or vacated on appeal, and (c) shall have become a Final Order;

viii. All governmental and third-party approvals and consents necessary in connection with the transactions contemplated by the Plan shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would

restrain, prevent or otherwise impose materially adverse conditions on such transactions;

ix. The final version of the schedules, documents, and exhibits contained in the Plan Supplement, and all other schedules, documents, supplements and exhibits to the Plan, shall be consistent with the Restructuring Support Agreement in all material respects and otherwise approved by the Requisite Consenting Lenders and the Debtors consistent with their respective consent and approval rights in the Restructuring Support Agreement;

x. All fees, expenses, and other amounts payable pursuant to the Restructuring Support Agreement and the DIP Orders shall have been paid in full;

xi. All Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such Allowed Professional Fee Claims after the Effective Date shall have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court;

xii. All actions, documents, and agreements necessary to implement and consummate the Plan shall have been effected or executed and binding on all parties thereto and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws;

xiii. All conditions precedent to the issuance of the Reorganized AAC Equity Interests, other than any conditions related to the occurrence of the Effective Date, shall have occurred and the Reorganized AAC Equity Interests shall have been issued;

xiv. In the case of a Reorganization Transaction, there shall be no ruling, judgment or order issued by any Governmental Unit making illegal, enjoining, or otherwise preventing or prohibiting the consummation of the Reorganization Transaction, unless such ruling, judgment or order has been stayed, reversed or vacated within three (3) Business Days after such issuance;

xv. The Debtors shall have implemented the Reorganization Transaction in a manner consistent in all material respects with the Plan, the Confirmation Order, and the Restructuring Support Agreement; and

xvi. In the event of any Asset Sales, all conditions precedent to the effectiveness of the Asset Sale Agreements shall have been satisfied or waived pursuant to the terms thereof, and the consummation of such Asset Sales shall have occurred concurrently with the occurrence of the Effective Date.

3. Waiver of Conditions

The conditions to confirmation of the Plan and to the Effective Date of the Plan set forth in Article XI of the Plan may be waived only by consent of the Debtors and the Requisite Consenting Lenders without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

4. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

VIII. RISK FACTORS

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of holders of Claims in such Impaired Classes.

1. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article XI of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

3. The Debtors May Fail to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the holders of Interests and Allowed Claims as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the estates than the Plan.

4. The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors, subject to the terms and conditions of the Plan (including the requirement that the Plan be in form and substance acceptable to the Requisite Consenting Lenders), reserve the right to modify the terms and conditions of the Plan as necessary for confirmation. Any such modifications could result in less favorable treatment of any non-accepting class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

5. Nonconsensual Confirmation

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, a bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

6. Continued Risk Upon Confirmation

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to chapter 11 proceedings and increasing expenses. *See* Article VIII.C of this Disclosure Statement, entitled "Risks Related to the Debtors' and the Reorganized Debtors' Businesses." Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' businesses after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

7. The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code.

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

8. The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

9. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan.

The distributions available to holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders

certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes entitled to vote to accept or reject the Plan or require any sort of revote by such Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to holders of Allowed Claims under the Plan.

10. Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article X of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Post-Effective Date Debtors, or Released Parties, as applicable. Discussions and summaries of these provisions can be found in Articles VII.I and IX.B of this Disclosure Statement. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan and the Plan may no longer be confirmable.

B. Risks Related to Recoveries under the Plan

1. The Reorganized Debtors May Not Be Able to Achieve their Projected Financial Results.

If the Entire Company Asset Sale does not occur, the Reorganized Debtors will continue to operate their businesses after the Effective Date. The Reorganized Debtors, however, may not be able to achieve their projected financial results. The Financial Projections set forth in this Disclosure Statement represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations and the industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized. If the Debtors do not achieve their projected financial results, the value of the Reorganized AAC Equity Interests may be negatively affected and the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. Certain Tax Implications of the Plan

Holders of Allowed Claims should carefully review Article XI of this Disclosure Statement, entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Reorganized Debtors and holders of Claims and Interests.

3. The Reorganized Debtors May Not Be Able to Obtain an Acceptable Exit Facility.

The Plan contemplates that the Reorganized Debtors may need to enter into an Acceptable Exit Facility. However, it is possible that the Reorganized Debtors may not be able to obtain or consummate an Acceptable Exit Facility. If the Reorganized Debtors do not obtain funding under an Acceptable Exit Facility, they may lack sufficient liquidity to continue operating in the ordinary course post-emergence and may be unable to the consummate the Plan or any other plan of reorganization.

C. Risks Related to the Debtors' and the Reorganized Debtors' Businesses

1. The Reorganized Debtors May Not Be Able to Generate Sufficient Cash to Service All of their Indebtedness.

The Reorganized Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Reorganized Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Reorganized Debtors to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, potential borrowings under the Exit Facility upon emergence.

2. The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the transactions specified in the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, vendors, service providers, clients, employees, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain Bankruptcy Court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 cases; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, clients, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

3. Prolonged Operations in Bankruptcy May Harm the Debtors' Businesses.

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that clients and vendors will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative relationships or treatment options.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The chapter 11 proceedings also require debtor in possession financing to fund the Debtors' operations. If the Debtors are unable to fully draw on the availability under the DIP Facility or are unable to consummate the Exit Facility, the chances of successfully reorganizing the Debtors' businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate or sell their assets may be increased, and, as a result, creditor recoveries may be significantly impaired.

Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the Reorganized Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

4. The Debtors Operate in a Highly Competitive Industry.

The market for mental health and substance abuse treatment facilities is highly fragmented with approximately 12,000 different companies providing services to the adult and adolescent population, of which only 30% are operated by for-profit organizations. The Debtors' inpatient treatment facilities compete with several national competitors and many regional and local competitors. Some of the competitors are government entities that are supported by tax revenue,

and others are non-profit entities that are primarily supported by endowments and charitable contributions. The Debtors do not receive financial support from these sources. Some larger companies in the industry compete with the Debtors on a national scale and offer substance abuse treatment services among other behavioral healthcare services. To a lesser extent, the Debtors also compete with other providers of substance abuse treatment services, including other inpatient behavioral healthcare facilities and general acute care hospitals.

The Debtors' operations depend on the efforts, abilities and experience of their management team, physicians and medical support personnel, including nurses, mental health technicians, therapists, addiction counselors, pharmacists and clinical technicians. The Debtors compete with other healthcare providers in recruiting and retaining qualified management, mental health technicians, therapists, nurses, counselors, and other support personnel responsible for the daily operations of the Debtors' facilities. The nationwide shortage of nurses and other medical support personnel has been a significant operating issue facing their industry in recent years, made more acute by the COVID-19 pandemic. This shortage may require the Debtors to enhance the Debtors' wages and benefits to recruit and retain nurses and other medical support personnel or require them to hire expensive temporary personnel. If the Debtors are unable to attract and retain qualified personnel, they may be unable to provide their services, the quality of the Debtors' services may decline and they could experience a decline in client volume, all of which could have a material adverse effect on the Debtors' business, financial condition and results of operations.

If the Debtors are unable to compete effectively with their competitors, patients may seek addiction treatment services from other providers.

5. The Debtors' Business is Subject to Complex Laws and Regulations That Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business.

Substance abuse treatment providers are regulated extensively at the federal, state and local level. In order to operate the Debtors' business and obtain reimbursement from commercial and government payors, the Debtors must obtain and maintain a variety of licenses, permits, certifications and accreditations, and ensure the providers are licensed and certified (where applicable) to provide such services. The Debtors must also comply with numerous other laws, regulations, and guidance applicable to the provision of substance abuse disorder services, including medication-assisted treatment ("MAT"), detoxification, and behavioral therapy. The facilities of the Debtors are also subject to periodic on-site inspections by the regulatory and accreditation agencies in order to determine the Debtors' compliance with applicable requirements.

The laws, regulations, and guidance that affect substance abuse treatment providers are complex and change frequently. The Debtors must regularly review the Debtors' organization and operations and make modifications as necessary to comply with changes in the law or new interpretations of laws, regulations, and guidance. In recent years, significant public attention has focused on the healthcare industry, including attention to the conduct of industry participants and the cost of healthcare services. Federal and state government agencies have heightened and coordinated civil and criminal enforcement efforts relating to the healthcare industry. The ongoing investigations relate to, among other things, referral practices, cost reporting, billing practices,

credit balances, health information privacy and security, physician ownership and joint ventures involving hospitals and other healthcare providers. Recently, federal and state governmental officials have focused on fraud and abuse in the addiction treatment industry. In particular, new laws and regulations have been passed that are intended to prohibit the payment of kickbacks, bribes and other inducements in exchange for referrals of patients to treatment providers, including residential treatment centers and outpatient programs. The Debtors expect that healthcare costs and other factors will continue to encourage both the development of new laws and regulations and increased enforcement activity, including among substance abuse treatment providers.

While the Debtors believe that they are in substantial compliance with all applicable laws and regulations, and the Debtors are not aware of any material pending or threatened investigations involving allegations of wrongdoing, there can be no assurances of compliance. Compliance with such laws and regulations may be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from government health programs.

6. The Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases.

In the future, the Debtors may become parties to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Reorganized Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' businesses and financial stability, however, could be material.

7. The Loss of Key Personnel Could Adversely Affect the Debtors' Operations.

The Debtors' operations are dependent on a relatively small group of key management personnel and a highly-skilled employee base. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Debtors have experienced and may continue to experience increased levels of employee attrition. The Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale at the corporate and/or facility levels could have a material adverse effect on the Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Debtors' and/or the Reorganized Debtors' businesses and the results of operations.

8. Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations.

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Petition Date or before confirmation of the Plan (a) would be subject to

compromise and/or treatment under the Plan and/or (b) would be discharged in accordance with the terms of the Plan. Any Claims not ultimately discharged through the Plan could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations.

9. If Reimbursement Rates Paid by Third-Party Payors are Reduced, if the Debtors are Unable to Maintain Favorable Contract Terms with Payors or Comply with Their Payor Contract Obligations, or if Third-Party Payors Otherwise Restrain Their Ability to Obtain or Provide Services to Clients, Their Business, Financial Condition and Results of Operation Could be Adversely Affected.

Managed care organizations and other third-party payors pay for the services that the Debtors provide to many of their clients. For 2018, approximately 90% of the Debtors' revenue was reimbursable by third-party payors, including amounts paid by such payors to clients, with the remaining portion payable directly by their clients. The Debtors' third-party payors are primarily commercial payors. If any of these third-party payors reduce their reimbursement rates or elect not to cover some or all of the Debtors' services, the Debtors' business, financial condition and results of operations may be materially adversely affected.

In addition to limits on the amounts that payors will reimburse for the services the Debtors provide to their members, utilization management imposed by third-party payors designed to reduce admissions and the length of stay for clients, including preadmission authorizations and utilization review, have affected and are expected to continue to affect the Debtors' facilities. Utilization review entails the review of the admission and course of treatment of a client by third-party payors. Inpatient utilization, average lengths of stay and occupancy rates continue to be negatively affected by payor-required preadmission authorization and utilization review and by payor pressure to maximize outpatient and alternative healthcare delivery services for less acutely ill clients. The Debtors believe that generally, health insurance companies have become more stringent and aggressive with respect to addiction treatment providers; taking measures that have put pressure on reimbursement rates, length of stay and timing of reimbursement. The Debtors expect that payor efforts to impose more stringent cost controls will continue. Although the Debtors are unable to predict the effect these controls and changes could have on their operations, significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on their business, financial condition and results of operations. If the rates paid or the scope of substance use treatment services covered by third-party commercial payors are reduced, the Debtors' business, financial condition and results of operations could be materially adversely affected.

Third-party payors often use plan structures, such as narrow networks or tiered networks, to encourage or require clients to use in-network providers. In-network providers typically provide services through third-party payors for a negotiated lower rate or other less favorable terms. Third-party payors generally attempt to limit use of out-of-network providers by requiring clients to pay higher copayment and/or deductible amounts for out-of-network care. Additionally, third-party payors have become increasingly aggressive in attempting to minimize the use of out-of-network providers by disregarding the assignment of payment from clients to out-of-network providers (i.e., sending payments directly to clients instead of to out-of-network providers), capping out-of-network benefits payable to clients, waiving out-of-pocket payment amounts and initiating

litigation against out-of-network providers for interference with contractual relationships, insurance fraud and violation of state licensing and consumer protection laws. The majority of third-party payors consider certain of the Debtors' facilities to be "out-of-network" providers. If third-party payors continue to impose and to increase restrictions on out-of-network providers, the Debtors' revenue could be threatened, forcing the Debtors' facilities to participate with third-party payors and accept lower reimbursement rates compared to the Debtors' historic reimbursement rates.

Third-party payors also are entering into exclusive source contracts with some healthcare providers, which could effectively limit the Debtors' pool of potential clients. Moreover, third-party payors are beginning to carve out specific services, including substance abuse treatment and behavioral health services, and establish small, specialized networks of providers for such services at fixed reimbursement rates. Continued growth in the use of carve-out arrangements could materially adversely affect the Debtors' business to the extent the Debtors are not selected to participate in such smaller specialized networks or if the reimbursement rate is not adequate to cover the cost of providing the service.

10. If the Debtors Overestimate the Reimbursement Amounts That Payors Will Pay Them for Out-Of-Network Services Performed, It Would Increase the Debtors' Revenue Adjustments, Which Could Have a Material Adverse Effect on Their Revenue, Profitability and Cash Flows.

For out-of-network services, the Debtors recognize revenue from payors at the time services are provided based on their estimate of the amount that payors will reimburse for the services performed. The Debtors estimate the net realizable value of revenue by adjusting gross client charges using their expected realization and applying this discount to gross client charges. A significant or sustained decrease in their collection rates could have a material adverse effect on the Debtors' operating results. There is no assurance that the Debtors will be able to maintain or improve historical collection rates in future reporting periods.

Estimates of net realizable value are subject to significant judgment and approximation by management. It is possible that actual results could differ from the historical estimates management has used to help determine the net realizable value of revenue. If the Debtors' actual collections either exceed or are less than the net realizable value estimates, the Debtors will record a revenue adjustment, either positive or negative, for the difference between their estimate of the receivable and the amount actually collected in the reporting period in which the collection occurred. A significant negative revenue adjustment could have a material adverse effect on their revenue, profitability and cash flows in the reporting period in which such adjustment is recorded. In addition, if the Debtors record a significant revenue adjustment, either positive or negative, in any given reporting period, it may lead to significant changes in the Debtors' results from operations from quarter to quarter, which may limit their ability to make accurate long-term predictions about their future performance.

11. A Deterioration in the Collectability of the Accounts Receivable Could Have a Material Adverse Effect on Their Business, Financial Condition and Results of Operations.

Collection of receivables from third-party payors and clients is critical to the Debtors' operating performance. The Debtors' primary collection risks are (i) the risk of overestimating their net revenue at the time of billing, which may result in the Debtors receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies denying claims, (iii) in certain states, the risk that clients will fail to remit insurance payments to the Debtors when the commercial insurance company pays out-of-network claims directly to the client and (iv) resource and capacity constraints that may prevent them from handling the volume of billing and collection issues in a timely manner. Additionally, their ability to hire and retain experienced personnel affects the Debtors' ability to bill and collect accounts in a timely manner. The Debtors routinely review accounts receivable balances in conjunction with these factors and other economic conditions that might ultimately affect the collectability of the client accounts and adjust the Debtors' allowances as warranted. Significant changes in business operations, payor mix or economic conditions, including changes resulting from legislation or other health reform efforts (including to repeal or significantly change the Affordable Care Act), could affect the Debtors' collection of accounts receivable, cash flows and results of operations. In addition, increased client concentration in states that permit commercial insurance companies to pay out-of-network claims directly to the client instead of the provider, such as California and Nevada, could adversely affect the Debtors' collection of receivables. Unexpected changes in reimbursement rates by third-party payors could have a material adverse effect on the Debtors' business, financial condition and results of operations.

12. The Debtors' Business Depends on Their Information Systems. Failure to Effectively Integrate, Manage and Keep the Debtors' Information Systems Secure Could Disrupt the Debtors' Operations and Have a Material Adverse Effect on the Business.

The Debtors' business depends on effective and secure information systems that assist them in, among other things, admitting clients to the Debtors' facilities, monitoring census and utilization, processing and collecting claims, reporting financial results, measuring outcomes and quality of care, managing regulatory compliance controls and maintaining operational efficiencies. Given the dependence on electronic health systems, the Debtors could be subject to cybersecurity risks such as a cyber-attack that bypasses the Debtors' information technology security systems and other security incidents that result in security breaches, including the theft, loss, destruction or misappropriation of individually identifiable health information subject to HIPAA and other privacy and security laws, proprietary business information or other confidential or personal data. Such an incident could disrupt the Debtors' information technology systems, impede clinical operations, cause the Debtors to incur significant investigation and remediation expenses, and subject them to litigation, government inquiries, penalties and reputational damages. Information security and the continued development, maintenance and enhancement of their safeguards to protect the Debtors' systems, data, software and networks are a priority for them. As security threats continue to evolve, the Debtors may be required to expend significant additional resources to modify and enhance the Debtors' safeguards and investigate and remediate any information security vulnerabilities. Cyber-attacks may also impede the Debtors' ability to exercise sufficient

disclosure controls. If the Debtors are subject to cyber-attacks or security breaches, the Debtors' business, financial condition and results of operations could be adversely impacted.

The Debtors' information systems are also vulnerable to damage or interruption from fire, flood, natural disaster, power loss, telecommunications failure, break-ins and similar events. A failure to implement the Debtors' disaster recovery plans or ultimately restore the Debtors' information systems after the occurrence of any of these events could have a material adverse effect on the Debtors' business, financial condition and results of operations. Because of the confidential health information that the Debtors store and transmit, loss, theft or destruction of electronically-stored information for any reason could expose them to a risk of regulatory action, litigation, liability to clients and other losses.

In addition, these electronic health systems include software developed in-house and systems provided by external contractors and other service providers. To the extent that these external contractors or other service providers become insolvent or fail to support the software or systems, their operations could be negatively affected. The Debtors' facilities also depend upon the Debtors' information systems for electronic medical records, accounting, billing, collections, risk management, payroll and other information. If they experience a reduction in the performance, reliability or availability of the Debtors' information systems, their operations and ability to process transactions and produce timely and accurate reports could be adversely affected.

The Debtors' information systems and applications require continual maintenance, upgrading and enhancement to meet the Debtors' operational needs. The Debtors regularly upgrade and expand the Debtors' information systems' capabilities. If they experience difficulties with the transition and integration of information systems or are unable to implement, maintain or expand the Debtors' systems properly or in a timely manner, they could suffer from, among other things, operational disruptions, regulatory problems, working capital disruptions and increases in administrative expenses.

13. The Debtors' Ability to Maintain Census is Dependent on a Number of Factors Outside of Their Control, and if They are Unable to Maintain Census, Their Business, Results of Operations and Cash Flows Could be Materially Adversely Affected.

The Debtors' revenue is directly impacted by their ability to maintain census. These metrics are dependent on a variety of factors, many of which are outside of the Debtors' control, including the Debtors' contracts with commercial payors for referrals, average length of stay of the Debtors' clients, the extent to which third-party payors require preadmission authorization or utilization review controls, competition in the industry and the decisions of their clients to seek and commit to treatment, particularly in light of the ongoing COVID-19 pandemic and the potential risks associated with residential treatment. Further, their census depends upon the effectiveness of the Debtors' multi-faceted marketing program. A significant decrease in census could materially adversely affect the Debtors' revenue, profitability and cash flows due to fewer or lower reimbursements received, and the additional resources required to collect accounts receivable and to maintain the Debtors' existing level of business.

Given the client-driven nature of the substance abuse treatment sector, the Debtors' business is dependent on clients seeking and committing to treatment. Although increased

awareness and de-stigmatization of substance abuse treatment in recent years has resulted in more people seeking treatment, the decision of each client to seek treatment is ultimately discretionary. In addition, even after the initial decision to seek treatment, the Debtors' clients may decide at any time to discontinue treatment and leave the Debtors' facilities against the advice of the Debtors' physicians and other treatment professionals. For this reason, among others, average length of stay can vary among periods without correlating to the overall operating performance. The continued course of COVID-19 may also contribute significantly to clients' treatment decisions. If clients or potential clients decide not to seek treatment or discontinue treatment early, census could decrease and, as a result, the Debtors' business, financial condition and results of operations could be adversely affected.

14. The Debtors May Have Limited Ability to Utilize NOLs.

The Debtors estimate that they have incurred consolidated NOLs of approximately $87 million as of the Petition Date and are expecting that the consolidated NOLs will increase to approximately $190 million as of December 31, 2020. Section 382 of the Internal Revenue Code imposes limitations on a corporation's ability to utilize NOLs if it experiences an "ownership change." In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. In the event of an ownership change, utilization of the Debtors' NOLs generally would be subject to an annual limitation under Section 382. Any unused NOLs in excess of the annual limitation may be carried over to later years.

The imposition of a limitation on the Debtors ability to use their NOLs to offset future taxable income could cause U.S. federal income taxes to be paid earlier than otherwise would be paid if such limitation were not in effect and could cause such NOLs to expire unused, reducing or eliminating the benefit of such NOLs. The Debtors have taken steps to avoid an ownership change as defined by Section 382 of the Internal Revenue Code prior to the implementation of the Plan and intends to implement the Plan in a manner that will mitigate the adverse impact on its NOLs of an ownership change.

15. If the Debtors Fail to Comply with the Extensive Laws and Government Regulations Impacting their Industry, the Debtors Could Suffer Penalties, be the Subject of Federal and State Investigations or be Required to Make Significant Changes to Their Operations, Which May Reduce Their Revenue, Increase Costs and Have a Material Adverse Effect on Their Business, Financial Condition and Results of Operations.

Healthcare service providers are required to comply with extensive and complex laws and regulations at the federal, state and local government levels relating to, among other things:

a. licensure, certification and accreditation of substance use treatment services;

b. licensure, certification and accreditation of laboratory under the Clinical Laboratory Improvement Amendments of 1988 ("CLIA");

c. privacy and security of health-related information, client personal information and medical records, as required by the Health Information Portability and Accountability

Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and 45 CFR Part 2 (governing the confidentiality of substance use disorder patient records);

d. handling, administration and distribution of controlled substances;

e. necessity and adequacy of care and quality of services;

f. licensure, certification and qualifications of professional and support personnel;

g. referrals of clients and permissible relationships with physicians and other referral sources;

h. claim submission and collections, including penalties for the submission of, or causing the submission of, false, fraudulent or misleading claims and the failure to repay overpayments in a timely manner;

i. extensive conditions of participation for Medicare and Medicaid programs;

j. consumer protection issues and billing and collection of client-owed accounts issues;

k. communications with clients and consumers, including laws intended to prevent misleading marketing practices;

l. physical plant planning, construction of new facilities and expansion of existing facilities;

m. activities regarding competitors;

n. The Food and Drug Administration ("FDA") laws and regulations related to drugs and medical devices;

o. operational, personnel and quality requirements intended to ensure that clinical testing services are accurate, reliable and timely;

p. health and safety of employees;

q. handling, transportation and disposal of medical specimens and infectious and hazardous waste;

r. corporate practice of medicine, fee-splitting, self-referral and kickback prohibitions, including recent state and federal laws intended to eliminate bribes and kickbacks; and

s. the SUPPORT for Patients and Communities Act, which became law on October 24, 2018.

The United States has recently enacted the Eliminating Kickbacks in Recovery Act of 2018 ("EKRA") to create a new federal crime for knowingly and willfully: (1) soliciting or receiving any remuneration in return for referring a patient to a recovery home, clinical treatment facility, or laboratory; or (2) paying or offering any remuneration to induce such a referral or in exchange for

an individual using the services of a recovery home, clinical treatment facility, or laboratory. Certain states, including Florida, have enacted similar laws, or will likely enact similar laws in the future.

While the Debtors make every effort to comply with the above stated laws and regulations, the Debtors could suffer penalties, be the subject of federal and state investigations or be required to make significant changes to their operations, which may reduce their revenue, increase costs and have a material adverse effect on their business, financial condition and results of operations.

16. Changes to Federal, State and Local Regulations, as Well as Different or New Interpretations of Existing Regulations, Could Adversely Affect the Debtors' Operations and Profitability.

Because the Debtors' treatment programs and operations are regulated at federal, state and local levels, they could be affected by regulatory changes in different regional markets. Increases in the costs of regulatory compliance and the risks of noncompliance may increase the Debtors' operating costs, and they may not be able to recover these increased costs, which may adversely affect their results of operations and profitability.

Many of the current laws, regulations, and guidance are relatively new, including the EKRA and recent state laws intended to prohibit deceptive marketing practices in the addiction treatment industry. Some recently enacted laws do not have corresponding regulations or guidance available for compliance. Thus, the Debtors do not always have the benefit of significant regulatory or judicial interpretation. Evolving interpretations or enforcement of these laws and regulations could subject the Debtors' current or past practices to allegations of impropriety or illegality or could require them to make changes in the Debtors' treatment facilities, equipment, personnel, services or capital expenditure programs. A determination that the Debtors have violated these laws, or a public announcement that the Debtors are being investigated for possible violations of these laws, could adversely affect their business, operating results and overall reputation in the marketplace.

In addition, federal, state and local requirements may be enacted that impose additional obligations on their facilities. Adoption of legislation or the creation of new regulations affecting the Debtors' facilities could increase their operating costs, restrain the Debtors' growth or limit them from taking advantage of opportunities presented and could have a material adverse effect on their business, financial condition and results of operations. Adverse changes in existing comprehensive zoning plans or zoning regulations that impose additional restrictions on the use of, or requirements applicable to, their facilities may affect the Debtors' ability to operate their existing facilities or acquire new facilities, which may adversely affect their results of operations and profitability.

17. The Debtors are Subject to Governmental Investigations and Potential Claims and Lawsuits by Clients, Employees and Others, which May Increase the Debtors' Costs, Cause Reputational Issues and Have a Material Adverse Effect on Their Business, Financial Condition Results of Operations and Reputation.

Given the nature of addiction and mental health issues and treatment , the substance abuse treatment industry is heavily regulated by governmental agencies, and involves significant risk of liability. The Debtors are exposed to the risk of governmental investigations, regulatory actions and whistleblower lawsuits or other claims against the Debtors, their physicians and other professionals arising out of the Debtors' day to day business operations, including, without limitation, client treatment at the Debtors' facilities and relationships with healthcare providers that may refer clients. Addressing any investigation, lawsuit or other claim may distract management and divert resources, even if the Debtors ultimately prevail. Regardless of the outcome of any such investigation, lawsuit or claim, the publicity and potential risks associated with the investigation, lawsuit or claim could harm the Debtors' reputation or the reputation of their management and negatively impact the perception of the Debtors by clients, investors or others and could have a materially adverse impact on their financial condition and results of operations. Fines, restrictions, penalties and damages imposed as a result of an investigation or a successful lawsuit or claim that is not covered by, or is in excess of, the Debtors' insurance coverage, may increase the Debtors' costs and reduce the Debtors' profitability. The Debtors' insurance premiums have increased year over year, and insurance coverage may not be available at a reasonable cost in the future, especially given the significant increase in insurance premiums generally experienced in the healthcare industry.

The Debtors are subject to an inherent risk of potential medical malpractice lawsuits and other potential claims or legal actions in the ordinary course of business. From time to time, the Debtors are subject to claims alleging that the Debtors did not properly treat or care for a client, that the Debtors failed to follow internal or external procedures that resulted in death or harm to a client or that their employees mistreated the Debtors' clients, resulting in death or harm. Any deficiencies in the quality of care provided by the Debtors' employees could expose the Debtor to governmental investigations and lawsuits from the Debtors' patients. Some of these actions may involve large claims as well as significant defense costs. The Debtors cannot predict the outcome of these lawsuits or the effect that findings in such lawsuits may have on them. In an effort to resolve one or more of these matters, the Debtors may decide to negotiate a settlement, and amounts they pay to settle any of these matters may be material. All professional and general liability insurance they purchase is subject to policy limitations. The Debtors believe that, based on the Debtors' past experience, their insurance coverage is adequate considering the claims arising from the operation of their facilities. While the Debtors continuously monitor the Debtors' coverage, the Debtors' ultimate liability for professional and general liability claims could change materially from their current estimates. If such policy limitations should be partially or fully exhausted in the future or if payments of claims exceed their estimates or are not covered by the Debtors' insurance, such issues could have a material adverse effect on the Debtors' financial condition and results of operations.

The Debtors' care for a large number of clients with complex medical conditions, co-occurring disorders, special needs or who require a substantial level of care and supervision. There is an inherent risk that the Debtors' clients could be harmed while in treatment, whether through

negligence, by accident or otherwise. Further, clients might engage in behavior that results in harm to themselves, the Debtors' employees or to one or more other individuals. Patient safety incidents may result in regulatory enforcement actions, negative press about the Debtors or the addiction treatment industry generally and lawsuits filed by plaintiff's lawyers against them. These developments could diminish public perception of the quality of the Debtors' services, which in turn could lead to a loss of client placements and referrals, resulting in a material adverse effect on the Debtors' business, results of operations and financial condition.

Failure to comply with applicable laws, regulations and guidance could result in the imposition of significant civil or criminal penalties, loss of license or certification or require them to change their operations, or the exclusion of one or more facilities from participation in the Medicare, Medicaid and other federal and state healthcare programs, any of which may have a material adverse effect on the Debtors' business, financial condition and results of operations. Both federal and state government agencies as well as commercial payors have heightened and coordinated civil and criminal enforcement efforts as part of numerous ongoing investigations of healthcare organizations.

The Debtors endeavor to comply with all applicable legal and regulatory requirements, however, there is no guarantee that they will be able to adhere to all of the requirement that apply to the Debtors' business. The Debtors seek to structure all of their relationships with referral sources and clients to comply with applicable anti-kickback laws, physician self-referral laws, fee-splitting laws and state corporate practice of medicine prohibitions. The Debtors monitor these laws and their implementing regulations and implement changes as necessary. However, the laws and regulations in these areas are complex and often subject to varying interpretations. For example, if an enforcement agency were to challenge the compensation paid under the Debtors' contracts with professional physician groups, the Debtors could be required to change their practices, face criminal or civil penalties, pay substantial fines or otherwise experience a material adverse effect as a result.

18. State Efforts to Regulate the Construction or Expansion of Healthcare Facilities Could Impair Their Ability to Operate and Expand Their Facilities.

The construction of new healthcare facilities, the expansion, transfer or change of ownership of existing facilities and the addition of new beds, services or equipment may be subject to state laws that require a determination of public need and prior approval by state regulatory agencies under certificates of need ("CONs") laws or other healthcare planning initiatives. Review of and similar CONs proposals may be lengthy and may require public hearings. States in which the Debtors now or may in the future operate may require CONs under certain circumstances not currently applicable to the Debtors or may impose standards and other health planning requirements upon them. Violation of these state laws and the Debtors' failure to obtain any necessary state approval could:

(a) result in the Debtors' inability to acquire a targeted facility, complete a desired expansion, establish a new facility, or make a desired replacement; or

(b) result in the revocation of a facility's license or imposition of civil or criminal penalties any of which could have a material adverse effect on their business, financial condition and results of operations.

If the Debtors are unable to obtain required regulatory, zoning or other required approvals for renovations and expansions, the Debtors' growth may be restrained, and their operating results may be adversely affected. In the past, the Debtors have not experienced any material adverse effects from such requirements, but the Debtors cannot predict their future impact on their operations.

19. Change of Ownership or Change of Control Requirements Imposed by State and Federal Licensure and Certification Agencies May Limit the Debtors' Ability to Timely Realize Opportunities, Adversely Affect Their Licenses and Certifications, Interrupt Their Cash Flows, Adversely Affect the Debtors' Profitability and Delay the Effective Date.

State licensure laws and many federal healthcare programs (where applicable) impose a number of obligations on healthcare providers undergoing a change of ownership or change of control transaction. States may require notices to the governing agencies, and in many cases, new license applications with varying timelines. These provisions require the Debtors to be proactive when considering both internal restructuring and acquisitions of other treatment companies. Failure to provide, or timely provide, such notices or to submit required paperwork can adversely affect licensure on a going forward basis, can subject the parties to penalties, can adversely affect the Debtors' ability to operate the Debtors' facilities and/or may delay the Effective Date.

20. A Pandemic, Epidemic or Outbreak of an Infectious Disease in the Markets in Which the Debtors Operate Facilities, or Which Otherwise Impacts the Debtors' Facilities, Could Adversely Impact the Debtors' Business.

If a pandemic, epidemic, outbreak of an infectious disease, or other public health crisis were to affect any or all of the markets in which the Debtors operate, the Debtors' business and results of operations could be adversely affected. Such a crisis could diminish the public's trust in healthcare facilities. If any of the Debtors' facilities were involved in treating clients who contracted such a contagious disease, other clients might cancel appointments or fail to seek needed care from the Debtors' facilities. Further, a pandemic might adversely impact the Debtors' business by causing a temporary shutdown, by disrupting or delaying production and delivery of materials and products in the supply chain or by causing staffing shortages in the Debtors' facilities. In the event that a pandemic disrupts the production or supply of pharmaceuticals and medical supplies, for example, the Debtors' business could be adversely affected. Although the Debtors have disaster plans in place and operate pursuant to infectious disease protocols, the potential impact of a pandemic, epidemic or outbreak of an infectious disease, with respect to the Debtors' markets or the Debtors' facilities is difficult to predict and could adversely impact the Debtors' business. In addition, if such events lead to a significant or prolonged impact on capital or credit markets or economic growth, then the Debtors' business, financial condition and results of operations could be adversely affected.

As provided earlier, beginning in late March and early April of 2020, the Debtors faced challenges due to COVID-19. The Debtors experienced a decline in inpatient admissions and outpatient visits as a result of the virus and the measures undertaken to combat the virus, including mandatory stay-at-home orders, restrictions on travel, supply chain disruptions, and preventive measures to ensure that facilities remain coronavirus-free. The number of cases of COVID-19 has recently increased significantly in states where the Debtors generate in excess of 80% of their revenue. COVID-19, and the measures undertaken by the Debtors, have had and will continue to have an adverse impact on the Debtors. While cash on hand became more limited and access to credit became more restricted, the Debtors' costs rose during this difficult economic time. The Debtors expended significant time and resources in ensuring that its facilities remained open and had sufficient staff and personal protective equipment to keep their patients and staff safe during the pandemic.

While the Debtors make every effort to combat COVID-19, the spread of the illness may decrease the number of clients the Debtors can treat, which will strain the Debtors' operations, as additional preventative measures are implemented for the safety of clients and employees.

D. Risks Related to the Reorganized AAC Equity Interests or New Warrants.

1. The Debtors Have Not Registered, and Do Not Intend to Register the Reorganized AAC Interests or New Warrants under the Securities Act or the Securities Laws of Any States, Nor Do the Debtors Intend to Offer to Exchange the Reorganized AAC Equity Interests or New Warrants for Securities Registered under any such Laws in a Registered Exchange Order.

If the Entire Company Asset Sale does not occur, the Reorganized Debtors will issue the Reorganized AAC Equity Interests and, in the case of the Exit Term Loan Facility, the New Warrants. The Debtors have not registered, and do not intend to register, the Reorganized AAC Equity Interests or New Warrants under the Securities Act or under the securities laws of any state, nor do the Debtors intend to offer to exchange the Reorganized AAC Equity Interests or New Warrants for securities registered under the Securities Act in an exchange offer registered thereunder. As a result, the Reorganized AAC Equity Interests or New Warrants may be transferred or resold only in transactions exempt from the securities registration requirements of federal and applicable state laws.

Any Reorganized AAC Equity Interests or New Warrants issued under the Plan in satisfaction of Claims that are issued in a transaction exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code may be resold by the Holders thereof without registration under the Securities Act unless the Holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such Securities; provided, however, that such Securities will not be freely transferable if, at the time of transfer, the Holder is either an "affiliate" of Reorganized AAC Holdings as defined in Rule 144(a)(1) under the Securities Act or has been such an "affiliate" within 90 days of such transfer. Such affiliate Holders would only be permitted to sell such Securities without registration if they are able to comply with an applicable exemption from registration, including in a transaction effected in accordance with Rule 144 under the Securities Act. Reorganized AAC Equity Interests or New Warrants issued pursuant to the Plan

to persons who are deemed to be "underwriters" will not have been issued pursuant to section 1145 of the Bankruptcy Code, and instead will have been issued pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506 promulgated thereunder, and such Persons would only be permitted to sell such Securities without registration if they are able to comply with an applicable exemption from registration, including in a transaction effected in accordance with Rule 144 under the Securities Act.

In addition, the information which the Debtors are required to provide in order to issue the Reorganized AAC Equity Interests or New Warrants pursuant to the Plan may be less than the Debtors would be required to provide if the Reorganized AAC Equity Interests or New Warrants were registered under the Securities Act.

The Reorganized AAC Equity Interests or New Warrants issued otherwise than pursuant to Section 1145 under the Bankruptcy Code will be issued in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act and Rule 506 promulgated thereunder, and will be "restricted securities" as defined under Rule 144 under the Securities Act. These securities will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration under the Securities Act or pursuant to an applicable exemption from registration under the Securities Act and other applicable law. All persons who receive restricted securities pursuant to the Plan will be required to agree that they will not offer, sell or otherwise transfer any such shares except in accordance with an applicable exemption from registration under the Securities Act, and each such person will also be required to represent that such person is an "accredited investor", as defined under Rule 501(a) promulgated under the Securities Act.

2. Any Implied Valuation of the Reorganized AAC Equity Interests and New Warrants is Not Intended to Represent any Potential Trading Price of the Reorganized AAC Equity Interests or the New Warrants.

Any implied valuation of the Reorganized Debtors is not intended to represent the any potential trading or market value of the Reorganized AAC Equity Interests or the New Warrants in any public or private markets and is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities, if any, at issuance will depend upon, among other things: (a) prevailing interest rates; (b) conditions in the financial markets; (c) the anticipated initial securities holdings of prepetition creditors, some of whom may prefer to liquidate their investment rather than hold it on a long-term basis; and (d) other factors that generally influence the prices of securities. The actual market prices, if any, of the Reorganized AAC Equity Interests or New Warrants are likely to be volatile. Many factors, including factors unrelated to the Reorganized Debtors' actual operating performance and other factors not possible to predict, could cause the market prices of the Reorganized AAC Equity Interests and the New Warrants to rise and fall precipitously. Accordingly, the implied value of the securities to be issued does not necessarily reflect, and should not be construed as reflecting, values that will be attained for the Reorganized AAC Equity Interests or New Warrants in any the public or private markets.

3. There is No Established Market for the Reorganized AAC Equity Interests or New Warrants.

The Reorganized AAC Equity Interests and New Warrants will be a new issuance of Securities, and there is no established trading market for those Securities, and the Debtors do not expect a market to develop. The Debtors are under no obligation, and do not intend to apply for the Reorganized AAC Equity Interests or New Warrants to be listed on any securities exchange or to arrange for quotation of such securities on any automated dealer quotation system or over-the-counter market. Without an active market, the liquidity of the Reorganized AAC Equity Interests and New Warrants will be extremely limited. Further, the Reorganized AAC Equity Interests and New Warrants may be subject to transfer restrictions in the New Shareholders Agreement. Accordingly, you may be required to bear the financial risk of your ownership of the Reorganized AAC Equity Interests and New Warrants indefinitely. If a trading market were to develop, you may experience difficulty in reselling the Reorganized AAC Equity Interests or New Warrants and may not be able to sell your Reorganized AAC Equity Interests or New Warrants at a particular time or at favorable prices. If a trading market were to develop, any such future trading prices of the Reorganized AAC Equity Interests or New Warrants may be volatile and will depend on many factors, including: (a) the Reorganized Debtors' operating performance and financial condition; (b) the interest of securities dealers in making a market for them; and (c) the market for similar Securities.

4. Holders of the Reorganized AAC Equity Interests May Experience Dilution of their Ownership Interests.

Shares of Reorganized AAC Equity Interests received by Holders of Junior Lender Claims under the Plan on account of such Claims are subject to dilution by the issuance of New Warrants, if any, and by the issuance of Reorganized AAC Equity Interests pursuant to the Management Incentive Plan.

IX. CONFIRMATION OF THE PLAN

A. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of holders of Claims or Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

B. The Debtor Release, Third-Party Release, Exculpation, and Injunction Provisions.

Under applicable law, a release provided by a debtor is appropriate where: (a) there is an identity of interest between the debtor and the third party, such that a suit against the released non-debtor party is, at core, a suit against the debtor or will deplete assets of the estate; (b) there is a substantial contribution by the non-debtor of assets to the reorganization; (c) the injunction is essential to the reorganization; (d) there is overwhelming creditor support for the injunction; and (e) the chapter 11 plan will pay all or substantially all of the claims affected by the injunction. *In re Indianapolis Downs, LLC*, 486 B.R. 286, 303 (Bankr. D. Del. 2013). Importantly, these factors are "neither exclusive nor are they a list of conjunctive requirements," but "[i]nstead, they are helpful in weighing the equities of the particular case after a fact-specific review." Id. Further, a chapter 11 plan may provide for a release of third-party claims against non-debtors, such as the Third-Party Releases, where such releases are consensual. *Id.* at 304–06. In addition, exculpation is appropriate where it applies to estate fiduciaries. *Id.* at 306. Finally, an injunction is appropriate where it is necessary to the reorganization and fair pursuant to section 105(a) of the Bankruptcy Code. *In re W.R. Grace & Co.*, 475 B.R. 34, 107 (D. Del. 2012). In addition, approval of the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of Confirmation of the Plan will be limited to the extent such releases, exculpations, and injunctions are permitted by applicable law.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things, the releases are narrowly tailored to the Debtors' restructuring proceedings, and each of the Released Parties has contributed value to the Debtors and aided in the reorganization process, which facilitated the Debtors' ability to propose and pursue confirmation. The Debtors believe that each of the Released Parties has played an integral role in formulating the Plan and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan. In addition, the Debtors believe the Third-Party Releases are entirely consensual under the established case law in the United States Bankruptcy Court for the District of Delaware. *See Indianapolis Downs*, 486 B.R. at 304–06. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of confirming the Plan.

C. Best Interests of Creditors/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (1) has accepted the plan or (2) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if the debtors liquidated under chapter 7.

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of the Debtors' advisors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the

value to be realized by holders of Claims or Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code.

If the Plan is not confirmed, and the Debtors fail to propose and confirm an alternative plan of reorganization, the Debtors' businesses may be liquidated pursuant to the provisions of a chapter 11 liquidating plan. In liquidations under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation may result in larger recoveries than a chapter 7 liquidation, but the delay in distributions could result in lower present values received and higher administrative costs. Any distribution to holders of Claims or Interests (to the extent holders of Interests would receive distributions at all) under a chapter 11 liquidation plan would most likely be substantially delayed. Most importantly, the Debtors believe that any distributions to creditors in a chapter 11 liquidation scenario would fail to capture the significant going concern value of their businesses, which is reflected in the Reorganized AAC Equity Interests and New Warrants to be distributed under the Plan or, alternatively, in the purchase price of an Entire Company Asset Sale. Accordingly, the Debtors believe that a chapter 11 liquidation would not result in distributions as favorable as those under the Plan.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors, with the assistance of the Debtors' Chief Restructuring Officer, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared their projected consolidated balance sheet, income statement, and statement of cash flows (the "Financial Projections"). Creditors and other interested parties should review Article VIII of this Disclosure Statement, entitled "Risk Factors," for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

The Financial Projections are attached hereto as **Exhibit F** and incorporated herein by reference. Based upon the Financial Projections, the Debtors believe that they will be a viable operation following the Chapter 11 Cases and that the Plan will meet the feasibility requirements of the Bankruptcy Code.

E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number of the Allowed Claims in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Pursuant to Article III.E of the Plan, if a Class or Sub-Class contains Claims or Interests eligible to vote and no holders of Claims or Interests eligible to vote in such Class or Sub-Class vote to accept or reject the Plan, the holders of such Claims or Interests in such Class or Sub-Class shall be deemed to have accepted the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided*, that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class or Sub-Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class or Sub-Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

As a condition to the test, section 1129(b)(2) of the Bankruptcy Code provides that a plan is "fair and equitable" with respect to a dissenting impaired class of unsecured claims if the creditors in the class receive or retain property of a value equal to the allowed amount of their claims or, failing that, no creditor of lesser priority, or shareholder, receives any distribution under the plan. This requirement is sometimes referred to as the "absolute priority rule."

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes and Sub-Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes and Sub-Classes that have equal rank. With respect to the fair and equitable requirement, and "absolute priority rule," no Class or Sub-Class under the Plan will receive more than 100% of the amount of Allowed Claims or Interests in that Class or Sub-Class. The Debtors believe that the Plan and the treatment of all Classes and Sub-Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

X. CERTAIN SECURITIES LAW MATTERS

If a Reorganization Transaction occurs, the Reorganized AAC Equity Interests will or may be "securities," as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

Pursuant to Section 1145 of the Bankruptcy Code, the offering, distribution, issuance and sale of the Reorganized AAC Equity Interests and the New Warrants as contemplated by the Plan are exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration of the Reorganized AAC Equity Interests and the New Warrants prior to the offering, issuance, distribution, or sale thereof. If issued in accordance with section 1145 of the Bankruptcy Code, the Reorganized AAC Equity Interests and the New Warrants (i) will not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) will be freely transferable by any initial recipient thereof that (a) is not an "affiliate" of Reorganized AAC Equity Interest as defined in Rule 144(a)(1) under the Securities Act, (b) has not been such an "affiliate" within 90 days of such transfer, and (c) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code.

The Reorganized AAC Equity Interests or New Warrants issued otherwise than pursuant to Section 1145 under the Bankruptcy Code, if any (e.g., to a person w ho is an "underwriter" within the meaning of Section 1145 of the Bankruptcy Code), will be issued in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act and Rule 506

promulgated thereunder, and will be "restricted securities" as defined under Rule 144 under the Securities Act. These securities will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration under the Securities Act or pursuant to an applicable exemption from registration under the Securities Act and other applicable law. All persons who receive restricted securities pursuant to the Plan will be required to agree that they will not offer, sell or otherwise transfer any such shares except in accordance with an applicable exemption from registration under the Securities Act, and each such person will also be required to represent that such person is an "accredited investor", as defined under Rule 501(a) promulgated under the Securities Act.

XI. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion summarizes certain United States ("U.S.") federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors, and beneficial owners of Claims (each, a "Holder"). This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published administrative rules, and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof (collectively, "Applicable Tax Law"). Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. The Debtors have not requested, and will not request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address foreign, state, or local tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules (such as Persons who are related to the Debtors within the meaning of the Tax Code, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, persons who hold Claims or who will hold the New Warrants or the Reorganized AAC Equity Interests as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, and holders of Claims who are themselves in bankruptcy). Furthermore, this summary assumes that a Holder holds only Claims in a single Class or Sub-Class and holds a Claim only as a "capital asset" (within the meaning of Section 1221 of the Tax Code). This summary also assumes that the various debt and other arrangements to which any of the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of Section 897 of the Tax Code. This summary does not discuss differences in tax consequences to a Holder that acts or receives consideration in a capacity other than as a Holder of a Claim of the

same Class or Sub-Class, and the tax consequences for such Holders may differ materially from that described below.

The U.S. federal income tax consequences of the implementation of the Plan will depend on, among other things, whether the Reorganization Transaction is structured as a taxable sale of the Debtors' assets and/or stock (such a structure, a "Taxable Transaction"). While a Taxable Transaction potentially offers the Reorganized Debtors certain tax advantages in periods following the Effective Date, the availability of these tax advantages depends on numerous considerations that cannot be known with certainty at this time. These considerations include the value and tax basis of the Debtors' assets on the Effective Date, and whether the Debtors have sufficient net operating loss carry forwards to offset any taxable gain arising from a Taxable Transaction. As a result, the Debtors have not yet determined whether they intend to structure the Reorganization Transaction as a Taxable Transaction, and, except as otherwise provided, and the following discussion assumes that the implementation of the Plan will not be structured as a Taxable Transaction. Moreover, if the Debtors pursue a Taxable Transaction, the U.S. federal income tax consequences of the implementation of the Plan to Holders of Claims may differ materially from the tax consequences described below.

For purposes of this discussion, a "U.S. Holder" is a holder of a Claim that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "non-U.S. Holder" is any Holder of a Claim that is not a U.S. holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the entity. Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are Holders should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, UNLESS SPECIFICALLY NOTED OTHERWISE, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS APPLICABLE ONLY TO U.S. HOLDERS, AS DEFINED ABOVE, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME, ESTATE, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors and the Reorganized Debtors

1. Cancellation of Debt and Reduction of Tax Attributes

In general, absent an exception, a debtor will realize and recognize cancellation of debt income ("COD Income"), for U.S. federal income tax purposes, upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of Cash paid, (ii) the issue price of any new indebtedness of the taxpayer issued, and (iii) the fair market value of any other new consideration (including stock of the debtor or a party related to the debtor) given in satisfaction of such indebtedness at the time of the exchange.

Under Section 108 of the Tax Code, a debtor is not required to include COD Income in gross income (a) if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding (the "Bankruptcy Exception") or (b) to the extent that the taxpayer is insolvent immediately before the discharge (the "Insolvency Exception"). Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to the rule discussed in the preceding sentence. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets; (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to Section 108(b)(5) of the Tax Code. The Debtors have not yet determined whether this election will be made. Whether or not an election is made pursuant to Section 108(b)(5) of the Tax Code, the reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. Any excess COD Income over the amount of available tax attributes is not subject to U.S. federal income tax and generally has no other U.S. federal income tax impact.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Under these Treasury Regulations, the tax attributes of each member of an affiliated group of corporations that is excluding COD Income is first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group.

The amount of COD Income that may result in a reduction of Reorganized AAC's tax attributes, and that may by allocated to the Holders of equity in Reorganized AAC will depend on the value (or issue price, in case of new debt) of the consideration received by Holders. The fair market value and issue price, as applicable, of such consideration cannot be known with certainty until after the Effective Date.

2. Limitations of NOLs Carry Forwards and Other Tax Attributes

The precise amount of NOL carryovers and other tax attributes (such as capital loss carryforwards, tax credit carryforwards and losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) that will be available to the Debtors at emergence is based on a number of factors and is impossible to calculate at this time. The Debtors estimate that they have incurred consolidated NOLs of approximately $87 million as of the Petition Date and are expecting that the consolidated NOLs will increase to approximately $190 million as of December 31, 2020. Some of the factors that will impact the amount of available NOLs include: the amount of taxable income or loss incurred by the Debtors in 2019 and 2020; the fair market value of the New Warrants or Reorganized AAC Equity Interests; and the amount of COD Income incurred by the Debtors in connection with consummation of the Plan. Further, the Debtors are under Audit for taxable years 2013 and 2014. Accordingly, the amount of the Debtors' NOLs ultimately may vary from the amounts set forth above based on the audit for 2013 and 2014 or an audit for any other past taxable year. The Debtors anticipate that, taking these factors into account, they will have some federal NOL carryovers following emergence, subject to the limitations discussed below. The Debtors' subsequent utilization of any losses and NOL carryovers remaining and possibly certain other tax attributes may be restricted as a result of and upon consummation of the Plan.

Following consummation of the Plan, the Debtors anticipate that any remaining NOL and tax credit carryovers and, possibly, certain other tax attributes of the Debtors allocable to periods prior to the Effective Date (collectively, "Pre-Change Losses") may be subject to limitation under Section 382 of the Tax Code as a result of an "ownership change" of the Debtors by reason of the transactions pursuant to the Plan. Under Section 382 of the Tax Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation.

i. General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (i) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (ii) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the "ownership change" occurs: 0.89 percent for July 2020 or August 2020). Section 383 of the Tax Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if post-ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero, which will prevent any utilization of the corporation's pre-change losses (absent any increases due to any recognized built-in gains) or tax credits.

If the Debtors' assets in the aggregate have a fair market value less than the Debtors' tax basis therein (a "Net Unrealized Built-in Loss"), any built-in losses recognized during the following five years (up to the amount of the original Net Unrealized Built-in Loss), including loss on disposition of assets and depreciation and amortization deductions attributable to the excess of the tax basis of the assets of the Debtors over their fair market value as of the date of the ownership change, generally will be treated as Pre-Change Losses subject to the annual limitation. While the Debtors have not completed a review and valuation of their assets, the Debtors do not expect to have a Net Unrealized Built-in Loss in their assets after the consummation of the Plan.

If the Debtors' assets in the aggregate have a fair market value greater than the Debtors' tax basis therein (such excess, a "Net Unrealized Built-in Gain"), any Net Unrealized Built-in Gain recognized by the Debtors in the five years immediately after the ownership change will generally increase the section 382 limitation in the year recognized, such that the Debtors would be permitted to use their pre-change NOLs against such gain in addition to their regular allowance. For these purposes, the Debtors would be permitted to increase their annual section 382 limitation during the five years immediately after the ownership change by an amount determined by reference to the depreciation and amortization deductions that a hypothetical purchaser of the Debtors' assets would have been permitted to claim if it had acquired the Debtors' assets in a taxable transaction as compared to the actual depreciation and amortization deductions of the Debtors. While the Debtors have not completed a review and valuation of their assets, the Debtors do not expect to have a Net Unrealized Built-in Gain in their assets after recognizing the incipient COD after the consummation of the Plan.

ii. **Special Bankruptcy Exceptions**

An exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor company in chapter 11 receive, in respect of their claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). A "qualified creditor" generally is a creditor who has held (i) its claim continuously for at least 18 months prior to the petition date or (ii) a claim incurred in the ordinary course of the debtor's business since the claim was incurred. A claim that arises upon the rejection of a burdensome contract pursuant to a chapter 11 case is treated as an ordinary course claim. Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis but, instead, are required to be reduced by the amount of any interest deductions claimed during the three taxable years preceding the Effective Date, and during the part of the taxable year prior to and including the Effective Date, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Debtors undergo another "ownership change" within two years after consummation of the Plan, then the Debtors' Pre-Change Losses effectively would be eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual Section 382 limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately

before the ownership change. This differs from the ordinary rule that requires the fair market value of the stock of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that under it the debtor corporation is not required to reduce its NOLs by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years without triggering the elimination of its NOLs, with any resulting limitation instead determined under the regular rules for ownership changes.

It is possible that the Debtors will not qualify for the 382(l)(5) Exception. Alternatively, even if the 382(l)(5) Exception could apply, the Reorganized Debtors may decide to elect out of the 382(l)(5) Exception, particularly if it appears likely that another ownership change will occur within two years after emergence. In either case, the Debtors anticipate that their use of the Pre-Change Losses (if any) after the Effective Date will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the Tax Code were to occur after the Effective Date.

3. NOL Refund and Funds from PPP

The Debtors used the change in carry back rules under the CARES Act which permitted the carryback of NOLs to be applied against prior years' income to apply for a refund and may do so again when their 2019 returns are finalized. Any Federal income tax refund received by the Debtors will not be taxable; any state and local refunds received will be taxable on the federal return. Additionally, as set forth in the Plan, the Debtors received a loan of $10,000,000 of PPP under the CARES Act and as further set forth in the Plan, the Debtors believe the funds are being used in accordance with the requirements of the CARES Act and will be forgiven in 2020. Provided the requirement of the CARES Act have been followed, the forgiveness of the $10,000,000 loan will not create any cancellation of debt income or any other income.

4. Restrictions on Resale of Securities to Protect NOLs

The Debtors expect to emerge from chapter 11 with valuable tax attributes, including substantial NOLs. Regardless of whether the Debtors elect to utilize the 382(l)(5) Exception, the Debtors' ability to utilize these NOLs could be subject to elimination of the limitation if an "ownership change" with respect to the issuance of New Warrants and/and Reorganized AAC Equity Interests were to occur after emergence. To the extent reasonably necessary to avoid adverse federal income tax consequences resulting from an ownership change (as defined in Section 382 of the Tax Code), the Amended Certificate of Incorporation and the Stock holders Agreement may impose certain restrictions on the transfer of (i) New Warrants and (ii) Claims prior to their Allowance without the consent of the Reorganized Board. Such restrictions, if any, will be described in the Plan Supplement.

C. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Claims

The following discussion assumes that the Debtors will undertake the Reorganization Transaction currently contemplated by the Plan. Holders of Claims or Interests are urged to consult their tax advisors regarding the tax consequences of the Reorganization Transaction.

As discussed below, the tax consequences of the Plan to U.S. Holders of Allowed Claims on the Plan will depend upon a variety of factors, among other things: (a) the type of consideration received by the Holder of Allowed Claims against the Debtors in exchange for such Claim; (b) the taxable year in which the Holder receives distributions under the Plan; (c) the nature of such Claim; (d) whether the Holder has previously claimed a bad debt or worthless security deduction in respect of such Claim; (e) whether such Claim constitutes a security, as further discussed below; (f) whether the Holder of such Claim is a citizen or resident of the United States for tax purposes, or otherwise subject to U.S. federal income tax on a net income basis, or falls into any special class of taxpayers, as mentioned above; (g) whether the Holder of such Claim against the Debtors reports income on the accrual or cash basis; (h) the manner in which the Holder acquired the Claim and whether the Claim was acquired at a discount; (i) the length of time that the Claim has been held; (j) whether the Holder has previously included in income accrued but unpaid interest with respect to the Claim; and (k) whether the Holder of such Claim against the Debtors receives any distributions under the Plan in more than one taxable year. For tax purposes, if a Claim is reinstated yet subject to a modification, the reinstatement may be treated as a taxable exchange of the Claim by the Holder for a new Claim, even though no actual transfer takes place. The character of any recognized gain as capital gain or ordinary income will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands (including whether the Claim constitutes a capital asset), whether the Claim was purchased at a discount, whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim, and whether any part of the U.S. Holder's recovery is treated as being on account of accrued but untaxed interest. In general, for purposes of the discussion below, subject to other matters discussed herein such as the market discount rules, gain or loss recognized by a Holder upon exchange of that Claim generally would be long-term capital gain or loss if the U.S. Holder held such asset for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations. If property is received by a Holder upon an exchange, a Holder's tax basis in the property received should equal the fair market value of such property. A U.S. Holder's holding period for the property received on the Effective Date would begin on the day following the Effective Date.

The U.S. federal income tax consequences to a U.S. Holder of a Claim will depend, in part, on whether the Claim surrendered constitutes a "security" of a Debtor for U.S. federal income tax purposes. Neither the Tax Code nor the Treasury Regulations promulgated thereunder define the term "security." Whether a debt instrument constitutes a "security" is determined based on all relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument at initial issuance is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the available collateral,

the creditworthiness of the obligor, the subordination or lack thereof with respect to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued. The Prepetition Senior Lien Credit Agreement has a term of less than five years, and accordingly the Debtors intend to treat Senior Lender Claims as not constituting a "security." The Prepetition Junior Lien Facility has a term in excess of five years, but less than ten years. The treatment of the Junior Lien Claims is uncertain and the Debtors are still evaluating this issue. Due to the inherently factual nature of the determination, U.S. Holders are urged to consult their tax advisors regarding the status of the Senior Lien Claims and Junior Lien Claims for U.S. federal income tax purposes. U.S. Holders should be aware that the Debtors will not issue any documents purporting to declare whether Junior Lien Claims are a security or not.

1. U.S. Federal Income Tax Consequences to U.S. Holders of Class 1 (Other Priority Claims).

Pursuant to the Plan, in full and final satisfaction of each Allowed Other Priority Claim, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, each Holder thereof will receive payment in full in Cash or other treatment rendering such Claim Unimpaired. A U.S. Holder of an Allowed Other Priority Claim that receives payment in full in Cash should generally not recognize any income or loss. For any Holder of Class 1 Claim that did not take the interest into income as it accrued, the amount recovered that is attributable to the interest must be taken into account as ordinary interest income.

2. U.S. Federal Income Tax Consequences to U.S. Holders of Class 2 (Other Secured Claim).

Pursuant to the Plan, in full and final satisfaction of each Allowed Other Secured Claim, except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Holder thereof will receive: (a) payment in full in Cash; (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) Reinstatement of such Claim; or (d) such other treatment rendering such Claim Unimpaired. A U.S. Holder of an Allowed Other Secured Claim that receives payment in full in Cash should generally not recognize any income or loss. For any Holder of Class 2 Claim that did not take the interest into income as it accrued, the amount recovered that is attributable to the interest must be taken into account as ordinary interest income.

3. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Class 3 Claims (Senior Lender Claims)

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Senior Lender Claim shall receive (i) Cash, (ii) Exit Term Loan interests, and/or (ii) New Warrants.

A U.S. Holder of an Allowed Senior Lender Claim is expected to be treated as receiving its distributions under the Plan in a taxable exchange under Section 1001 of the Tax Code. Other

than with respect to any amounts received that are attributable to accrued but untaxed interest, each U.S. Holder of such Claim is expected to recognize gain or loss equal to the difference between (i) the sum of (a) the Cash received in exchange for the Claim, (b) the issue price of the Exit Term Loan interests, and (c) the fair market value of New Warrants received in exchange for the Claim, and (ii) such U.S. Holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors unique to the U.S. Holder, including the tax status of the U.S. Holder whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim.

U.S. Holders of such Claims that receive the Exit Term Loan interests and the New Warrants are expected to obtain tax basis in the Exit Term Loan interests that equals its issue price on the date of the exchange, and the tax basis in the New Warrants equal to the fair market value thereof as of the date the New Warrants are distributed to the U.S. Holder. The holding period for any such Exit Term Loan interests and New Warrants is expected to begin on the day following the Effective Date.

The tax basis of any Exit Term Loan interests and New Warrants determined to be received in satisfaction of accrued but untaxed interest is expected to equal the amount of such accrued but untaxed interest. The holding period for any such Exit Term Loan interests and New Warrants is expected to begin on the day following the Effective Date.

1. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Class 4 Claims (Junior Lender Claims)

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Junior Lender Claim shall receive (i) Cash and/or (ii) Reorganized AAC Equity Interests.

If Junior Lender Claims are not treated as a "security" or if the Reorganization Transaction is treated as a Taxable Transaction, then a U.S. Holder of an Allowed Junior Lender Claim would be treated as receiving its distributions under the Plan in a taxable exchange under Section 1001 of the Tax Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, each U.S. Holder of such Claim is expected to recognize gain or loss equal to the difference between (i) the sum of (a) the Cash received in exchange for the Claim and (b) the fair market value of the Reorganized AAC Equity Interests, and (ii) such U.S. Holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors unique to the U.S. Holder, including the tax status of the U.S. Holder whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim.

U.S. Holders of such Claims that receive Reorganized AAC Equity Interests are expected to obtain tax basis in the Reorganized AAC Equity Interests, other than any such amounts treated as received in satisfaction of accrued but untaxed interest, equal to the fair market value thereof as of the date such Reorganized AAC Equity Interests are distributed to the U.S. Holders. The holding period for any such Reorganized AAC Equity Interests are expected to begin on the day

following the Effective Date.

The tax basis of Reorganized AAC Equity Interests determined to be received in satisfaction of accrued but untaxed interest is expected to equal the amount of such accrued but untaxed interest. The holding period for such Reorganized AAC Equity Interests should begin on the day following the Effective Date.

If Junior Lender Claims are treated as a "security," a U.S. Holder of an Allowed Junior Lender Claim constituting a tax security who receives only Reorganized AAC Equity Interests would be treated as exchanging securities pursuant to a "reorganization" under Section 368(a)(1)(E) of the Code and Treasury Regulations (a "Reorganization") and a U.S. Holder should not recognize gain and should not recognize loss (except the Holders who included accrued interest into income would have ordinary loss to the extent that the partial satisfaction of their Claims leaves interest unpaid). Such U.S. Holder's total combined tax basis in its Reorganized AAC Equity Interest received should equal the U.S. Holder's tax basis in the Allowed Class 4 Claim surrendered therefor increased by gain, if any, recognized by such U.S. Holder in the transaction. Subject to the section below discussing "Accrued Interest," a U.S. Holder's holding period for its interest in Reorganized AAC Equity Interests should include the holding period for the Allowed Class 4 Claim surrendered therefor. If an Allowed Class 4 Claim Holder receives Cash and Reorganized AAC Equity Interests, such Holder would recognize gain (but not loss) on the exchange, to the extent of the amount of cash received. If the Allowed Class 4 Claim Holder receives only cash, the transaction would subject to the standard rules of gain or loss recognition on property exchanges under Section 1001(c), as discussed above, whether the Allowed Class 4 Claim is treated as a security or not.

2. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Class 5 Claims (General Unsecured Claims)

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of its Claim, each Holder of an Allowed General Unsecured Claim shall receive no recovery or distribution. A U.S. Holder of such Claim is expected to be treated as receiving its distributions under the Plan in a taxable exchange under Section 1001 of the Tax Code. Each U.S. Holder of such Claim is expected to recognize loss equal to the such U.S. Holder's adjusted basis in such Claim.

3. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Class 7 Claims (Subordinated Claims)

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of its Claim, each Holder of an Allowed Subordinated Claim shall receive no recovery or distribution. A U.S. Holder of such Claim is expected to be treated as receiving its distributions under the Plan in a taxable exchange under Section 1001 of the Tax Code. Each U.S. Holder of such Claim is expected to recognize loss equal to the such U.S. Holder's adjusted basis in such Claim.

4. U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Class 9 Claim (Interests in AAC Holdings)

Each Allowed Interest in AAC Holdings shall be canceled, released, and extinguished, and will be of no further force or effect and no Holder of Interests in AAC Holdings shall be entitled to any recovery or distribution under the Plan on account of such Interests. Each U.S. Holder of such Claim is expected to recognize capital loss, long term or short term depending upon their holding period, equal to such U.S. Holder's adjusted basis in such Claim.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR U.S. FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS OR INTERESTS.

5. Accrued Interest

To the extent that any amount received by a U.S. Holder of a Claim is attributable to accrued but unpaid interest or original issue discount ("OID") on the debt instrument constituting the surrendered Claim, the receipt of such amount should be taxable to the U.S. Holder as ordinary interest income (to the extent not already taken into income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss (or, possibly, a write off against a reserve for worthless debts) to the extent that any accrued interest or OID previously was included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued interest for U.S. federal income tax purposes is unclear. Under the Plan, the aggregate consideration to be distributed to holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

6. Market Discount

Under the "market discount" provisions of the Tax Code, some or all of any gain realized by a U.S. Holder of a Claim who exchanges the Claim for an amount on the Effective Date may be treated as ordinary income (instead of capital gain) to the extent of the amount of "market

discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with original issue discount, its adjusted issue price, by at least a de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). To the extent that the Allowed Claims that were acquired with market discount are exchanged in a tax-free transaction for other property, any market discount that accrued on the Allowed Claims (*i.e.*, up to the time of the exchange) but was not recognized by the U.S. Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the property is treated as ordinary income to the extent of the accrued, but not recognized, market discount.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE APPLICATION OF THE MARKET DISCOUNT RULES TO THEIR CLAIMS.

7. Limitation on Use of Capital Losses

A U.S. Holder of a Claim who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods), and also ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of all the U.S. Holder's capital losses over all the U.S. Holder's capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them against future capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry over unused capital losses for the five years following the capital loss year.

8. Distributions on Reorganized AAC Equity Interests

Cash distributions on account of the Reorganized AAC Equity Interests will generally constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Debtors (as determined under U.S. federal income tax principles). Such income will be includable in the gross income of a U.S. Holders as ordinary income on the day actually or constructively received by such U.S. Holder. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. Distributions on Reorganized AAC Equity Interests that are treated as dividends for U.S. federal income tax purposes generally will be eligible for the dividends-received deduction so long as

there are sufficient earnings and profits. However, the dividends-received deduction is only available to corporate U.S. Holders if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

To the extent that a U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed Reorganized Debtors' current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares. Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as a disposition and subject to the treatment discussed below.

9. Sale, Redemption, or Repurchase of Reorganized AAC Equity Interests

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of Reorganized AAC Equity Interests in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such shares. Such capital gain will generally be long-term capital gain if at the time of the sale, exchange, redemption, or other taxable disposition, the U.S. Holder held the Reorganized AAC Equity Interests for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of Section 108(e)(7) of the Tax Code, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the Reorganized AAC Equity Interests as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Allowed Claim or recognized an ordinary loss on the exchange of its Allowed Claim for Reorganized AAC Equity Interests.

10. Ownership and Disposition of the Exit Term Loans

The U.S. federal income tax consequences to a holder of the Exit Term Loan may depend on certain terms of the Exit Term Loan which have not yet been finalized. The final terms of the Exit Term Loan will be described at a later date in a Plan Supplement. Accordingly, depending on the final terms of the Exit Term Loan, the U.S. federal income tax consequences of owning and disposing of the Exit Term Loan may differ from that described below.

a. Issue Price and Investment Unit

The consideration received by holders of the Class 3 Claims, which will include some combination of Cash, Exit Term Loans, and New Warrants, will likely be treated as an investment unit issued in exchange for the Class 3 Claim. In such case, the issue price of the Exit Term Loans will depend, in part, on the issue price of the investment unit, and the respective fair market values of the elements of consideration that compose the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument.

As a result, the issue price of the investment unit will depend on whether the investment unit is considered, for U.S. federal income tax purposes and applying rules similar to those applied to debt instruments, to be traded on an established securities market.

In general, a debt instrument will be treated as traded on an established securities market if, at any time during the 31-day period ending 15 days after the issue date, (a) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments, (b) a "firm" price quote for the debt instrument is available from at least one broker, dealer or pricing service for property, and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property, or (c) there are one or more "indicative" quotes available from at least one broker, dealer or pricing service for property. Whether the investment unit should be considered "publicly traded" may not be known until after the Effective Date.

If the investment unit is considered to be traded on an established market, the issue price of the investment unit would be the fair market value of the investment unit on the date the new debt is issued. The law is somewhat unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. In such a case, it is unclear whether the issue price of the investment unit is determined by reference to (a) the fair market value of the investment unit or (b) by reference to the fair market value of the debt for which it was exchanged. In particular, if the Exit Term Loans issued as part of an investment unit is publicly traded but the other piece of the investment unit, such as the New Warrants, is not, although not free from doubt, it may be the case that the trading value of the publicly traded instrument will ultimately determine their issue price notwithstanding the potential application of the investment unit rules.

Under the applicable Treasury regulations, the Reorganized Debtors are required to determine whether the Exit Term Loan is publicly traded and, if so, the fair market value of the Exit Term Loan, and make these determinations available to Holders in a commercially reasonable fashion, including by electronic publication, within ninety (90) days of the issue date of the Exit Term Loan. The Debtors intend to make this information available. The Debtors' determination is binding on a U.S. Holder unless a U.S. Holder explicitly discloses on its tax return that its determination is different and the reasons for its determination (including how it determined the fair market value of its Exit Term Loan).

b. Payment of Interest and OID on the Exit Term Loan

A debt instrument, such as the Exit Term Loans, is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually.

Stated interest paid on the Exit Term Loan will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received, in accordance with its method of accounting for U.S. federal income tax purposes to the extent such stated interest is "qualified stated interest."

Stated interest is "qualified stated interest" if it is payable in cash at least annually. Thus, the cash interest payable on the Exit Term Loan is expected to be treated as qualified stated interest. The remainder of the interest payable on the Exit Term Loan is payable in kind monthly by increasing the principal amount of Exit Term Loan outstanding ("PIK interest"); the amount of PIK interest payable on the Exit Term Loan will be included in the determination of the OID on such debt. Accordingly, the Exit Term Loan is expected to be issued with OID to the extent of the PIK interest and to the extent the investment unit allocation rules described above result in such debt instruments having an issue price that is less than their stated redemption price at maturity.

If, as expected, the principal amount of the Exit Term Loan exceeds its issue price by more than a de minimis amount, then the Exit Term Loan will be considered to have been issued with OID for U.S. federal income tax purposes in the amount of such excess. For these purposes, the PIK interest will be included in the principal amount of the Exit Term Loan at maturity and taxed as part of OID. A U.S. Holder will be required to include any such OID in income for U.S. federal income tax purposes as it accrues, regardless of its regular method of accounting, in accordance with a constant-yield method, before the receipt of cash payments attributable to this income. Under this method, a U.S. Holder generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder (whether a cash or accrual method taxpayer) generally should be required to include OID in gross income (as ordinary income) as the OID accrues (on a constant yield to maturity basis), in advance of the U.S. Holder's receipt of cash payments attributable to this OID. In general, the amount of OID includible in the gross income of a U.S. Holder should be equal to a ratable amount of OID for each day in an accrual period during the taxable year or portion of the taxable year in which a U.S. Holder held the debt. An accrual period may be of any length and the accrual periods may vary in length over the term of the debt, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of (i) the adjusted issue price of the debt at the beginning of such accrual period, and (ii) its yield to maturity, determined on the basis of a compounding assumption that reflects the length of the accrual period, over (b) the sum of the stated interest payments on the debt allocable to the accrual period.

If interest other than qualified stated interest is paid in cash on the Exit Term Loans, a U.S. Holder should not be required to adjust its OID inclusions. Instead, each payment made in cash should be treated first as a payment of any accrued OID that has not been allocated to prior payments and second as a payment of principal. A U.S. Holder generally should not be required to include separately in income cash payments received on debt to the extent such payments constitute payments of previously accrued OID. The OID rules are complex and U.S. Holders are urged to consult their tax advisors regarding the application of the OID rules to the Exit Term Loans.

c. Market Discount on the Exit Term Loan

A U.S. Holder will have market discount with respect to the Exit Term Loan if its initial basis in any portion of the Exit Term Loan is less than the issue price of such portion of the Exit Term Loan, unless the difference is less than a specified de minimis amount. If a U.S. Holder's Exit Term Loan has market discount with respect to any portion of such Exit Term Loan and, if

such holder so elects or has so elected, it will be required to include the market discount as ordinary income as it accrues, either on a ratable basis or on the basis of a constant-yield method. Any such election applies to all debt instruments with market discount that the U.S. Holder acquires on or after the first day of the first taxable year to which the election applies. In addition, the U.S. Holder may be required to defer, until the maturity of the Exit Term Loan, as applicable, or its earlier disposition (including in one of certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry any portion of such Exit Term Loan with respect of which the U.S. Holder has market discount.

d. Acquisition and Bond Premium on the Exit Term Loan

A U.S. Holder will have acquisition premium with respect to the Exit Term Loan if its initial basis in any portion of the Exit Term Loan, as applicable, exceeds the issue price of such portion of the Exit Term Loan but does not exceed the stated redemption price at maturity of such portion of the Exit Term Loan. If a U.S. Holder has acquisition premium with respect to a portion of the Exit Term Loan, it may reduce the amount of any OID accruing on such portion of the Exit Term Loan for any taxable year by a portion of the acquisition premium properly allocable to that year.

If a U.S. Holder's initial basis in any portion of the Exit Term Loan exceeds the stated redemption price at maturity of such portion of the Exit Term Loan, the excess generally will constitute amortizable bond premium and the U.S. Holder will not be required to include any OID attributable to its income with respect to such portion of the Exit Term Loan. Generally a U.S. Holder may elect to amortize this bond premium over the remaining term of such portion of the Exit Term Loan using a constant yield method and apply the amortization to offset stated interest otherwise required to be included in income with respect to such portion of the Exit Term Loan.

e. Disposition of the Exit Term Loan

Upon the sale or other taxable disposition of the Exit Term Loan, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and its adjusted tax basis in the Exit Term Loan. A U.S. Holder's adjusted tax basis in the Exit Term Loan generally will equal its initial tax basis in the Exit Term Loan, increased by any OID or market discount previously included in income with respect to the Exit Term Loan and decreased by payments on the Exit Term Loan other than payments of stated interest and any previously amortized bond premium. For these purposes, the amount realized does not include any amount attributable to accrued interest, which will be taxable as interest if not previously included in income. Except to the extent attributable to any accrued market discount not previously included in income, gain or loss recognized on the sale or other taxable disposition of the Exit Term Loan will generally be capital gain or loss and will be long-term capital gain or loss if, at the time of sale or other taxable disposition, the Exit Term Loan is treated as held for more than one year. Any gain attributable to accrued market discount not previously included in income will be recharacterized as ordinary income. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses is subject to significant limitations.

D. Taxation of Reorganized Debtors

Assuming there is a reorganization of the Debtors and not a sale of all the assets, it is expected that there will still be a consolidated group for income tax purposes, with only one company AAC, being the reporting company. In a consolidated group filing, all the income and expenses of all the subsidiaries are combined (eliminating intercompany items) to create one income statement at the parent level. AAC will be taxed as a corporation subject to a US Corporate income tax rate, currently 21% plus any applicable state and local taxes. If the reorganization plan is capable of availing itself of Section 382(l)(5) of the Tax Code, as explained more fully in other parts of the Disclosure Statement, then the reorganized group will be able to use available NOLs, reduced by any NOLs used for the refund application and further reduced by any interest paid or accrued in the last three years on the Claims that were converted to the new equity. In the event that the reorganization does not qualify for Section 382(l)(5) treatment, then it is expected that the reorganized entity will have few, if any, available NOLs and will still be taxed as a consolidated group.

E. Certain U.S. Federal Income Tax Consequences to Certain Non-U.S. Holders of Claims

The following discussion assumes that the Debtors will undertake the Reorganization Transaction currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Reorganization Transaction to non-U.S. Holders. The discussion does not include any non-U.S. tax considerations and does not address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules. The rules governing the U.S. federal income tax consequences to non-U.S. Holders are complex. **Each non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, and local, as well as any other applicable non-U.S. tax laws and/or treaties, with regard to their participation in the transactions contemplated by the Plan and their ownership of Claims.**

1. Gain Recognition with respect to Claims

Whether a Non-U.S. Holder realizes gain or loss on the exchange of its Claim is determined in the same manner as set forth above in connection with U.S. Holders. Any gain realized by a non-U.S. Holder on the exchange of its Claim generally will not be recognized and subject to U.S. federal income taxation unless (a) the non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the restructuring transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such non-U.S. Holder in the United States).

If the first exception applies, to the extent that any gain is taxable, the non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange, provided the Non-U.S. Holder has timely filed U.S. federal

income tax returns with respect to such losses. If the second exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate or exemption provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. However, a branch profits tax may not apply if the Non-U.S. Holder qualifies for the "exit exemption" (i.e., after the exchange, the Holder has no other U.S. business assets and neither the Holder nor a related party reinvests the proceeds in the U.S. for a period of three years following the exchange).

2. Accrued Interest and OID

Payments to a non-U.S. Holder that are attributable to accrued interest (including OID and any gain from the sale, redemption, retirement or other taxable disposition of the Claim that is treated as interest income) generally will not be subject to U.S. federal income tax or withholding pursuant to the portfolio interest exemption, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, an applicable or successor IRS Form W-8BEN or W-8BEN-E) establishing that the non-U.S. Holder is not a U.S. person, unless:

- the non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of the Reorganized Debtor's stock entitled to vote;
- the non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to the Reorganized Debtor (each, within the meaning of the Tax Code);
- the non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the Tax Code; or
- such interest (or original issue discount) is effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States (in which case, provided the non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A non-U.S. Holder that does not qualify for the portfolio interest exemption generally will be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on any payments that are attributable to accrued interest. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments

through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

3. Distributions on Reorganized AAC Equity Interests

Any distributions made (or deemed made) with respect to Reorganized AAC Equity Interests will constitute "dividends" for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Debtors, as determined under U.S. federal income tax principles. To the extent any distribution exceeds Reorganized Debtors' current and accumulated earnings and profits, such distribution will be treated (i) as a non-taxable return of the non-U.S. Holder's adjusted basis in the Reorganized AAC Equity Interests, which generally will not be subject to U.S. federal income taxation, and (ii) thereafter as capital gain treated as described below.

Except as described below, "dividends" made (or deemed made) with respect to Reorganized AAC Equity Interests held by a non-U.S. Holder that are not effectively connected with a non-U.S. Holder's conduct of a U.S. trade or business (or, if an income tax treaty applies, are not attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30% (unless a reduced rate or exemption applies under an applicable income tax treaty).

A non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or successor form), upon which the non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Any "dividends" made (or deemed made) with respect to Reorganized AAC Equity Interests held by a non-U.S. Holder that are effectively connected with a non-U.S. Holder's conduct of a U.S. trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder. To claim an exemption from U.S. federal withholding tax on the effectively connected income, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. A non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (unless a reduced rate or exemption applies under an applicable income tax treaty).

4. Sale, Redemption, or Repurchase of Reorganized AAC Equity Interests

In general, a non-U.S. Holder of Reorganized AAC Equity Interests will not be subject to U.S. federal income tax or U.S. federal withholding tax with respect to the Reorganized AAC Equity Interests unless (a) in the case of gain only, such non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; (b) any gain is effectively connected with such non-U.S. Holder's conduct of a trade or business in the U.S. (and, if required by any applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. Holder in the United States) or (c) the Reorganized AAC Equity Interests constitute U.S. real property interests (USRPI) by reason of the Reorganized Debtor being treated as a U.S. real property holding corporation ("USRPHC")for U.S. federal income tax purposes. If the first exception applies, to the extent that any gain is taxable, the non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. In addition, a non-U.S. Holder that is a corporation also may be subject to a branch profits tax equal to 30 percent (or such lower rate specified by an applicable tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain taxes. Non-U.S. Holders are urged to consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

If the third exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Reorganized AAC Equity Interests, as applicable, and will be required to file U.S. federal income tax returns. Under provisions commonly referred to as "FIRPTA," taxable gain from the disposition of a U.S. real property interest (generally equal to the difference between the amount realized and such non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income. Further, the buyer of the Reorganized AAC Equity Interests will be required to withhold a tax equal to 15 percent of the amount realized on the sale of such Reorganized AAC Equity Interests ("FIRPTA Withholding"). The amount of any such FIRPTA Withholding would be allowed as a credit against the non-U.S. Holder's federal income tax liability and may entitle the non-U.S. Holder to a refund, provided that the non-U.S. Holder properly and timely files a tax return with the IRS. Although it is not certain, it appears that the Reorganized Debtor will be treated as a USRPHC. Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. The determination whether the Reorganized Debtor will be a USRPHC is currently under review.

5. FATCA

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions ("FFI") and certain other non-financial foreign entities ("NFFE") must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30

percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income (including dividends, if any, on shares of Reorganized AAC Equity Interests). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

Previously, withholding with respect to gross proceeds from the disposition of certain property that produces U.S. source interest or dividends, like the Reorganized AAC Equity Interests, was scheduled to begin on January 1, 2019, however, such withholding has been eliminated under proposed U.S. Treasury regulations (the "Proposed Regulations"), which can be relied on until final regulations become effective, which may adopt or alter the provisions of the Proposed Regulations. A Holder can avoid FATCA withholding if it adheres to certain procedures and requirements imposed by the Code and applicable IRS rules and certifies such compliance to payers of pass-through payments. These rules vary dramatically depending upon whether the non-U.S. person is characterized as an FFI or a non-financial foreign entity. In addition, certain non-U.S. persons are "deemed compliant" with FATCA if they meet certain criteria and certify certain facts to the IRS.

FATCA obligations may vary depending on whether the non-U.S. person subject to FATCA regulations is a resident of a country with which the U.S. has signed a bilateral intergovernmental agreement. Each non-U.S. Holder is urged to consult its own tax advisor regarding the possible impact of these rules on such non-U.S. Holder.

F. U.S. Information Reporting and Back-Up Withholding

The Debtors will withhold all amounts required by law to be withheld from payments of interest, dividends and other amounts payable under the Plan or in connection with payments made on account of consideration received pursuant to the Plan. The Debtors will comply with all applicable reporting requirements of the Tax Code. In general, information reporting requirements may apply to distributions or payments made to a holder of a Claim under the Plan. In addition, backup withholding of taxes will generally apply to payments in respect of an Allowed Claim under the Plan unless, in the case of a U.S. Holder, such U.S. Holder provides a properly executed IRS Form W-9 and, in the case of non-U.S. Holder, such non-U.S. Holder provides a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption).

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a federal income tax return).

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the

transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

Under certain Tax-Information Exchange Agreements or bilateral income tax treaty that the United States has with certain other countries, the United States Treasury can upon request disclose to revenue authorities of the country in which the Non-U.S. Holder is a resident a consideration received in an exchange transaction without notice to or consent of the non-U.S. Holder.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS OR INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

XII. RECOMMENDATION

The Debtors believe that the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

[*Remainder of page intentionally left blank*]

Respectfully submitted, as of the date set forth above,

AAC HOLDINGS, INC.
on behalf of itself and all other Debtors

By: _____
Name: J. Jette Campbell
Titles: Chief Restructuring Officer and Authorized Person

Exhibit A

Plan of Reorganization

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

AMENDED JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST.

YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

THIS PLAN IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS PLAN IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

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Counsel for the Debtors and Debtors in Possession

Dated: September 1, 2020

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

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INTRODUCTION

AAC Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession, propose this joint plan of reorganization, as amended and supplemented from time to time, for the resolution of outstanding Claims against, and Interests in, the Debtors. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A hereof.

In summary, the Plan contemplates the following alternative plan structures: (1) if, in accordance with the Bidding Procedures, the Debtors receive a successful bid with respect to a sale of all or substantially all of the Debtors' assets that would satisfy in full, in Cash, all Allowed Administrative Claims, Priority Claims, Other Secured Claims, DIP Lender Claims, Senior Lender Claims and Junior Lender Claims (or such lesser amount of Junior Lender Claims as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion), then such sale transaction (the Entire Company Asset Sale) shall be consummated and implemented through the Plan with creditors to receive the net proceeds from such sale transaction on the Effective Date as set forth herein; or (2) alternatively, if the Debtors' sales process does not result in a bid for all or substantially all of the Debtors' assets that is sufficient to satisfy in full, in Cash, all Allowed Administrative Claims, Priority Claims, Other Secured Claims, DIP Lender Claims, Senior Lender Claims and Junior Lender Claims (or such lesser amount of Junior Lender Claims as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion), then a stand-alone reorganization (the Reorganization Transaction) will be consummated and implemented as set forth in the Plan with creditors receiving those distributions set forth herein. The Reorganization Transaction may include a sale of less than all or substantially all of the Debtors' assets, with such net sale proceeds distributed as set forth herein.

Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and projections of future operations, as well as a summary and description of the Plan and related sale process. ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code, and the Plan constitutes a separate plan of reorganization for each of the Debtors. Prior to the Petition Date, the Debtors and Consenting Lenders constituting in excess of 80% of the aggregate principal amount of the outstanding Senior Lender Claims and in excess of 60% of the aggregate principal amount of the outstanding Junior Lender Claims entered in the Restructuring Support Agreement, which forms the basis of this Plan and is further described in the Disclosure Statement.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings set forth below.

1. *"AAC Holdings"* means AAC Holdings, Inc., one of the debtors and debtors in possession in the Chapter 11 Cases and the direct or indirect parent company of all of the other Debtors.

2. "*Acceptable Exit Facility*" means an exit credit facility from a third-party financial institution; provided that such institution is acceptable to the Debtors and the Requisite Consenting Lenders; and provided further that such facility is on terms that are consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, enables the Reorganized Debtors to satisfy the Minimum Liquidity Condition, and otherwise provides working capital for the Reorganized Debtors' businesses.

3. "*Ad Hoc Group*" means the ad hoc group of Prepetition Lenders represented by Stroock & Stroock & Lavan LLP.

4. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Debtors' Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims; (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (d) all Allowed Claims arising under section 503(b)(9) of the Bankruptcy Code and (e) all DIP Lender Claims.

5. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date.

6. "*Affiliate*" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

7. "*Allowed*" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim timely Filed by the Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or a Final Order of the Bankruptcy Court, a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely filed; or (c) a Claim Allowed pursuant to the Plan, any stipulation approved by the Bankruptcy Court, any contract, instrument, indenture, or other agreement entered into or assumed in connection with the

Plan, or a Final Order; provided, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or if such an objection is so interposed, such Claim shall have been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim or Interest is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes. For the avoidance of doubt, a Proof of Claim Filed after the Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim. "*Allow*" and "*Allowing*" shall have correlative meanings.

8. "*Ankura*" means Ankura Trust Company, LLC.

9. "*Asset Sale*" means an Entire Company Asset Sale and a Partial Asset Sale.

10. "*Asset Sale Agreements*" means the Entire Company Asset Sale Agreements and Partial Asset Sale Agreements.

11. "*Avoidance Actions*" means any and all actual or potential avoidance, recovery, subordination, or other claims, actions, or remedies which any of the Debtors, the debtors in possession, the Estates, or other appropriate parties in interest have asserted or may assert under sections 502, 510, 542, 544, 545, or 547 through 553 of the Bankruptcy Code or under similar or related state or federal statutes and common law.

12. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time, as applicable to the Chapter 11 Cases.

13. "*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases.

14. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court, each as amended from time to time.

15. "*Bar Date*" means the dates established by the Bankruptcy Court, if any, by which Proofs of Claim must be Filed.

16. "*Bidding Procedures*" means the bidding procedures attached as Exhibit 1 to the Bidding Procedures Order.

17. "*Bidding Procedures Order*" means that certain order entered by the Bankruptcy Court authorizing the Debtors to, among other things, solicit offers for an Entire Company Asset Sale and one or more Partial Asset Sales [Docket No. 188].

18. "*Business Day*" means any day, other than a Saturday, Sunday, or "*legal holiday*" (as defined in Bankruptcy Rule 9006(a)).

19. "*Buyer*" means any buyer of assets in an Asset Sale.

20. "*Cash*" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

21. "*Cash Consideration*" means any proceeds paid or payable in Cash by a Buyer to the Debtors in connection with an Asset Sale; provided, however, that, unless otherwise provided in any Asset Sale Agreement, Cash Consideration includes any Cash or Cash equivalents returned (whether before or after the Effective Date) to the Debtors or their Estates, including (a) the return of any deposits of Cash or Cash equivalents and (b) the release of Cash or Cash equivalents used to collateralize any of the Debtors' surety bonds, insurance policies or utility contracts.

22. "*Causes of Action*" means any claims, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, in tort, law, equity, or otherwise, including (a) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code.

23. "*Chapter 11 Cases*" means, when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

24. "*Claim*" means any claim, as defined in section 101(5) of the Bankruptcy Code, including any Cause of Action or liability asserted against a Debtor.

25. "*Claims Objection Bar Date*" means the deadline for objecting to a Claim, which shall be on the date that is the later of (a) 180 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by the Debtors or the Reorganized Debtors, as applicable, or by an order of the Bankruptcy Court for objecting to Claims.

26. "*Claims Register*" means the official register of Claims maintained by the Notice and Claims Agent.

27. "*Class*" means a category of Claims or Interests under section 1122(a) of the Bankruptcy Code.

28. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

29. "*Confirmation Hearing*" means the hearing to be held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

30. "*Confirmation Order*" means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

31. "*Consenting Lender Advisors*" means, collectively, (i) Stroock & Stroock & Lavan LLP, (ii) Young Conaway Stargatt & Taylor, LLP, (iii) McDermott Will & Emery LLP, (iv) FTI Consulting, Inc., and (v) Moelis & Company.

32. "*Consenting Lenders*" means the Prepetition Lenders that are party to the Restructuring Support Agreement.

33. "*Consummation*" means the occurrence of the Effective Date.

34. "*Converted DIP Facility Amount*" means the amount of DIP Lender Claims converted into the Exit Term Loan Facility, if any, which amount shall be equal to (i) the outstanding principal balance under the DIP Facility as of the Effective Date (before accounting for any Partial Asset Sale Proceeds that would otherwise be applied to the DIP Lender Claims), plus (ii) the amount of the DIP Termination Payment, minus (iii) the amount of Partial Asset Sale Proceeds, if any, to be applied to the DIP Lender Claims.

35. "*Converted Senior Facility Amount*" means the amount of Senior Lender Claims converted into the Exit Term Loan Facility, which amount shall be equal to (a) the amount of the Senior Lien Obligations (including any makewhole amounts, other premiums and exit payments under the Senior Lien Facility) as of the Effective Date (before accounting for any Partial Asset Sale Proceeds that would otherwise be applied to the Senior Lien Obligations) minus (b) the amount of Partial Asset Sale Proceeds, if any, to be applied to the Senior Lender Claims on or after the Effective Date minus (c) the Senior Lender Postpetition Interest Amount.

36. "*Creditors' Committee*" means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 97].

37. "*Cure/Assumption Objection Deadline*" means, with respect to an Executory Contract or Unexpired Lease to be assumed, or assumed and assigned, pursuant to the Plan, the earlier of (i) fourteen (14) days after service of the Cure Notice with respect to such Executory Contract or Unexpired Lease and (ii) the date of the Confirmation Hearing.

38. "*Cure Claim*" means a monetary Claim required to cure any monetary defaults under any Executory Contract or Unexpired Lease at the time such contract or lease is assumed by such Debtor pursuant to section 365 of the Bankruptcy Code.

39. "*Cure Notice*" means a notice, of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed under the Plan pursuant to section 365 of the Bankruptcy Code, the form and substance of which notice shall be approved by the Disclosure Statement Order, and which notice shall include: (a) procedures for objecting to proposed assumptions of Executory Contracts and Unexpired Leases; (b) Cure Claims to be paid in connection therewith; and (c) procedures for resolution by the Bankruptcy Court of any related disputes, all in accordance with the procedures set forth in the Disclosure Statement Order.

40. "*D&O Liability Insurance Policies*" means all insurance policies (including any renewal or "tail policy") of any of the Debtors for current or former directors', managers', and officers' liability.

41. "*Debtors*" means, collectively, the debtors and debtors in possession in the Chapter 11 Cases.

42. "*DIP Agent*" means Ankura, in its capacity as administrative and collateral agent under the DIP Facility.

43. "*DIP Credit Agreement*" means that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of June 25, 2020, by and among AAC Holdings, the DIP Lenders, and the DIP Agent, as it may be amended, restated, supplemented, or otherwise modified from time to time.

44. "*DIP Facility*" means the multi-draw superpriority senior secured priming debtor-in-possession term loan credit facility provided by the DIP Lenders to AAC Holdings under the terms of the DIP Loan Documents and DIP Orders.

45. "*DIP Lender Claims*" means any and all Claims derived from, based upon, or secured by, the DIP Facility, the DIP Loan Documents, or the DIP Orders held by any DIP Lender or the DIP Agent.

46. "*DIP Lenders*" means, collectively, the lenders from time to time that are party to the DIP Credit Agreement.

47. "*DIP Loan Documents*" means the DIP Credit Agreement and any other agreements and documents executed in connection with or related thereto.

48. "*DIP Orders*" means, collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Loan Documents and incur postpetition obligations thereunder.

49. "*DIP Termination Payment*" means the "Termination Payment" as defined in the DIP Credit Agreement.

50. "*Disallowed*" means, with respect to any Claim, a Claim or any portion thereof that: (a) has been disallowed by a Final Order; (b) is listed on the Schedules as zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan; (c) is not listed on the Schedules and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan; (d) has been withdrawn by agreement of the applicable Debtor and the Holder thereof; or (e) has been withdrawn by the Holder thereof.

51. "*Disclosure Statement*" means the *Disclosure Statement for the Joint Chapter 11 Plan of AAC Holdings, Inc., and its Debtor Affiliates*, including all exhibits and schedules thereto, as approved by the Disclosure Statement Order.

52. "*Disclosure Statement Order*" means the order entered by the Bankruptcy Court approving the Disclosure Statement, entered on [●], 2020 [Docket No. [●]].

53. "*Disputed*" means a Claim that is not yet Allowed or Disallowed.

54. "*Distributable Proceeds*" means in the case of an Entire Company Asset Sale, all Cash of the Debtors or Wind-Down Debtors (including Cash generated through liquidation of the Plan Administrator Assets) available after the funding of the Priority Claims Reserve, the Other Secured Claims Reserve, the Professional Fee Escrow Account, and the Wind-Down Reserve.

55. "*Distribution Agent*" means the Reorganized Debtors or any Entity the Reorganized Debtors select to make or facilitate distributions that are to be made pursuant to the Plan.

56. "*Distribution Record Date*" means the date for determining which Holders of Claims are eligible to receive distributions hereunder and shall be the Effective Date or such other date as designated in the Confirmation Order.

57. "*Distribution Reserve Accounts*" means the Priority Claims Reserve, the Undeliverable Distribution Reserve, the Wind-Down Reserve, the Other Secured Claims Reserve, and the GUC Disputed Claims Reserve (if any) established pursuant to this Plan.

58. "*Effective Date*" means, with respect to the Plan, the date that is the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article XI.B have been satisfied or waived (in accordance with Article XI.C); and (c) the Plan is declared effective.

59. "*Entire Company Asset Sale*" means the sale, pursuant to the terms hereof and the Bidding Procedures Order, and subject to the approval of the Bankruptcy Court, which approval shall be sought in connection with the confirmation of the Plan, of all or substantially all of the

Debtors' assets that would satisfy in full, in Cash, all Allowed Administrative Claims, Priority Claims, Other Secured Claims, DIP Lender Claims, Senior Lender Claims and Junior Lender Claims (or such lesser amount of Junior Lender Claims as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion), whether as a single transaction or a series of multiple transactions.

60. "*Entire Company Asset Sale Agreements*" means any and all agreements entered into by and between any of the Debtors and one or more Buyers in connection with the Entire Company Asset Sale, including any asset purchase agreements, stock purchase agreements or other agreements effectuating and consummating the Entire Company Asset Sale and any exhibits, attachments, annexes, or schedules to any of the foregoing, the form of which material agreements shall be included in the Plan Supplement.

61. "*Entire Company Asset Sale Trigger*" means the Debtors' filing of a notice with the Bankruptcy Court on or before September 22, 2020 identifying the Winning Bidder(s) and Backup Bidder(s) (each as defined in the Bidding Procedures) for an Entire Company Asset Sale.

62. "*Entity*" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

63. "*Estate*" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

64. "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

65. "*Exculpated Parties*" means, collectively, and in each case in its capacity as such: (a) the Debtors and Reorganized Debtors, (b) the Committee, (c) the PCO, (d) the Plan Administrator, and (e) with respect to the foregoing clauses (a) through (d), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, managed accounts or funds, management companies, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

66. "*Executory Contract*" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

67. *"Exit Facility*" means the Exit Term Loan Facility and an Acceptable Exit Facility.

68. "*Exit Facility Credit Agreement(s)*" means the credit agreement(s) governing the Exit Facility, the form of which shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

69. "*Exit Facility Documents*" means the Exit Facility Credit Agreement(s) and related documents governing the Exit Facility, and any exhibits, attachments, annexes, or schedules to any of the foregoing, the form of which material documents shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

70. "*Exit Term Loan Facility*" means an exit term loan credit facility (i) in an aggregate principal amount equal to (a) the Converted DIP Facility Amount plus (b) the Converted Senior Facility Amount, (ii) with interest accruing at a non-default rate per annum equal to 18% (10% of which is payable in Cash monthly and 8% of which is payable in kind monthly), (iii) with a 5-year term, (iv) secured by Liens on all or substantially all the assets of the Reorganized Debtors, and (v) on such other terms and conditions as set forth in the Exit Facility Documents.

71. "*Federal Judgment Rate*" means the interest rate provided under 28 U.S.C. § 1961(a), calculated as of the Petition Date, compounded annually.

72. "*File,*" "*Filed,*" or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim or proof of Interest, the Notice and Claims Agent.

73. "*Final Order*" means (i) an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction, or (ii) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Bankruptcy Court (or any other court of competent jurisdiction, including in an appeal taken) in any Chapter 11 Case (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; provided, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules of the Bankruptcy Court, may be Filed relating to such order shall not prevent such order from being a Final Order.

74. "*General Account*" means, in the case of an Entire Company Asset Sale, a general account: (a) into which shall be deposited the proceeds of the sale or liquidation of all assets of the Debtors and the Wind-Down Debtors, including the proceeds of the Entire Company Asset Sale, Cash of the Debtors as of the Effective Date (unless otherwise provided in the Asset Sale Agreement) and those amounts necessary to fund the Wind-Down Budget; (b) from which shall be made payments to any Distribution Reserve Account in an amount sufficient to adequately maintain such Distribution Reserve Account as described in Article VIII.G; and (c) from which payments shall be made according to the Waterfall Priority.

75. "*General Unsecured Claim*" means any Claim other than (a) an Administrative Claim, (b) an Other Secured Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) a Senior Lender Claim, (f) an Intercompany Claim, (g) a DIP Lender Claim, (h) a Junior Lender Secured Claim, or (i) a Subordinated Claim. For the avoidance of doubt, the Junior Lender Deficiency Claims, if any, shall be included as General Unsecured Claims and Allowed in the Junior Lender Deficiency Claim Allowed Amount.

76. "*Governmental Unit*" shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

77. "*GUC Disputed Claims Reserve*" means a reserve account with respect to Disputed General Unsecured Claims to be established and funded, if at all, by the Plan Administrator pursuant to Article VIII.H.

78. "*Holder*" means any Person holding a Claim or Interest, as applicable.

79. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

80. "*Indemnification Obligations*" means each of the Debtors' indemnification obligations in effect as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, indemnification agreements, or employment or other contracts, for their current and former directors and officers.

81. "*Intercompany Claim*" means any Claim held by a Debtor against another Debtor.

82. "*Intercompany Interest*" means, other than an Interest in AAC Holdings, an Interest in one Debtor held by another Debtor or a Debtor's Affiliate.

83. "*Intercreditor Agreement*" means that certain Intercreditor Agreement, dated as of March 8, 2019, by and among the Debtors, the Senior Lien Agent, and the Junior Lien Agent.

84. "*Interest*" means any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor, including any rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.

85. "*Interim Compensation Order*" means the order of the Bankruptcy Court establishing procedures for interim compensation and reimbursement of expenses for professionals.

86. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as amended from time to time, as applicable to the Chapter 11 Cases.

87. "*Junior Lenders*" means the lenders party to the Junior Lien Credit Agreement.

88. "*Junior Lender Claims*" means any and all Claims arising from, under, or in connection with the Junior Lien Facility.

89. "*Junior Lender Claims Allowed Amount*" means the aggregate Allowed amount of the Junior Lender Claims (including the Junior Lender Secured Claims and the Junior Lender Deficiency Claims, if any), which equals the sum of (i) $450,593,283.62, which includes outstanding principal under the Junior Lien Facility, interest at the default rate under the Junior Lien Facility that accrued as of the Petition Date and remains unpaid, makewhole amounts and other premiums, (ii) fees, expenses and all other Junior Lien Obligations incurred under the Junior Lien Facility, and (iii) the portion, if any, of the Junior Lender Postpetition Interest Amount that is allowable under section 506(b) of the Bankruptcy Code.

90. "*Junior Lender Deficiency Claim*" means the portion of a Junior Lender Claim that exceeds the amount of the corresponding Junior Lender Secured Claim.

91. "*Junior Lender Deficiency Claim Allowed Amount*" means the aggregate Allowed amount of the Junior Lender Deficiency Claims, which equals the difference between (i) the Junior Lender Claims Allowed Amount and (ii) the Junior Lender Secured Claims Allowed Amount.

92. "*Junior Lender Postpetition Interest Amount*" means the amount of interest accruing under the Junior Lien Facility between the Petition Date and the Effective Date.

93. "*Junior Lender Secured Claim*" means the portion of a Junior Lender Claim that is Secured.

94. "*Junior Lender Secured Claims Allowed Amount*" means the aggregate Allowed amount of the Junior Lender Secured Claims, which shall not be greater than the Junior Lender Claims Allowed Amount and shall be included in the Plan Supplement.

95. "*Junior Lien Agent*" means Ankura (as successor by assignment to Credit Suisse AG), in its capacity as administrative agent and collateral agent under the Junior Lien Facility.

96. "*Junior Lien Credit Agreement*" that certain Credit Agreement, dated as of June 30, 2017 (as amended, supplemented, restated or otherwise modified from time to time prior to, and as in effect on, the Petition Date) by and among AAC Holdings, as borrower, each of the Junior Lien Guarantors, the Junior Lenders, and the Junior Lien Agent.

97. "*Junior Lien Facility*" means the credit facility provided by the Junior Lenders to AAC Holdings under the terms of the Junior Lien Loan Documents.

98. "*Junior Lien Guarantors*" shall have the meaning set forth in the DIP Orders.

99. "*Junior Lien Loan Documents*" means, collectively, (i) the Junior Lien Credit Agreement, (ii) all other agreements, documents, instruments, and certificates executed or delivered in connection with the Junior Lien Credit Agreement, (iii) the Intercreditor Agreement,

and (iv) that certain Forbearance Agreement dated as of October 30, 2019 among the Junior Lien Loan Parties, the lenders constituting Required Lenders under the Junior Lien Credit Agreement party thereto and the Junior Lien Agent.

100. "*Junior Lien Loan Parties*" means AAC Holdings and the Junior Lien Guarantors.

101. "*Lien*" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

102. "*Management Incentive Plan*" shall have the meaning set forth in Article IV.C.9.

103. "*Minimum Liquidity Condition*" means, for purposes of the Reorganization Transaction, that certain condition precedent to the Effective Date requiring the Reorganized Debtors to have minimum liquidity of no less than $13 million (consisting of unrestricted Cash and/or availability under an Acceptable Exit Facility) as of the Effective Date, on a pro forma basis, after taking into account the funding of the Priority Claims Reserve, the Other Secured Claims Reserve, and the Professional Fee Escrow Account.

104. "*New Board*" means, in the case of a Reorganization Transaction, the initial board of directors, members, or managers, as applicable, of each Reorganized Debtor, the composition of which shall be consistent with the New Board Composition.

105. "*New Board Composition*" means, in the case of a Reorganization Transaction, the initial composition of the New Board consisting of seven (7) directors, with six (6) of the initial directors selected by the Ad Hoc Group (in proportion to their respective pro forma ownership of Reorganized AAC Equity Interests and New Warrants) and identified in the Plan Supplement and one (1) of the initial directors being the Chief Executive Officer of the Reorganized Debtors.

106. "*New Organizational Documents*" means, in the case of a Reorganization Transaction, the amended forms of the certificates or articles of incorporation, bylaws, or such other applicable formation documents of each of the Reorganized Debtors and the New Stockholders Agreement and the New Warrant Agreement, which forms shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

107. "*New Stockholders' Agreement*" means that certain stockholders agreement, if any, effective as of the Effective Date, upon Reorganized AAC Holdings' redomiciliation as a Delaware corporation, between Reorganized AAC Holdings and the Holders of the Reorganized AAC Equity Interests and the Holders of New Warrants, the form of which shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

108. "*New Warrant Agreement*" means the agreement governing the New Warrants, the form of which shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

109. "*New Warrants*" means, in the case of a Reorganization Transaction, warrants issued by Reorganized AAC Holdings, upon its redomiciliation as a Delaware corporation, to Holders of DIP Lender Claims and Senior Lender Claims, Pro Rata in accordance with the New Warrants DIP Lender Allocation and New Warrants Senior Lender Allocation, respectively, (i) with an exercise price of $0.01 per share to purchase an aggregate number of shares equal to 35% of the Reorganized AAC Equity Interests on a fully diluted basis (calculated as of the Effective Date and including any Reorganized AAC Equity Interests issuable upon exercise of the New Warrants, and not including, and subject to dilution on account of, Reorganized Equity Interests issued under the Management Incentive Plan and, for the avoidance of doubt, any other Reorganized AAC Equity Interests issued after the Effective Date) and (ii) on such other terms and conditions as set forth in the New Warrant Agreement.

110. "*New Warrants DIP Lender Allocation*" means the portion of the New Warrants allocated to the Holders of Allowed DIP Lender Claims, which shall be the total New Warrants multiplied by the percentage determined by dividing (i) the Converted DIP Facility Amount by (ii) the sum of (a) the Converted DIP Facility Amount and (b) the Converted Senior Facility Amount.

111. "*New Warrants Senior Lender Allocation*" means the portion of the New Warrants allocated to the Holders of Allowed Senior Lender Claims, which shall be the total New Warrants multiplied by the percentage determined by dividing (i) the Converted Senior Facility Amount by (ii) the sum of (a) the Converted Senior Facility Amount and (b) the Converted DIP Facility Amount.

112. "*Notice and Claims Agent*" means Donlin, Recano & Company, Inc.

113. "*OCP Order*" means the *Order Authorizing the Retention and Payment of Professionals Utilized by the Debtors in the Ordinary Course of Business* entered by the Bankruptcy Court on July 15, 2020 [Docket No. 158].

114. "*Ordinary Course Professional*" shall have the meaning ascribed to such term in the OCP Order.

115. "*Other Priority Claim*" means any Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) an Administrative Claim; or (b) a Priority Tax Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases.

116. "*Other Secured Claim*" means any Secured Claim, other than (a) a DIP Lender Claim, (b) a Senior Lender Claim, or (c) a Junior Lender Secured Claim.

117. "*Other Secured Claims Reserve*" means the account to be established and maintained by the Post-Effective Date Debtors and funded with the Other Secured Claims Reserve Amount pursuant to Article VIII.E.

118. "*Other Secured Claims Reserve Amount*" means Cash in the amount to be determined by the Debtors and the Requisite Consenting Lenders, which amount shall be funded by the Debtors and used by the Post-Effective Date Debtors for the payment of Allowed Other

Secured Claims to the extent that such Other Secured Claims have not been satisfied pursuant to Article III.B.2.

119. *"Paid in Full"* means the indefeasible repayment in full in Cash of all obligations (including principal, interest, fees, expenses, and indemnities, other than contingent indemnification obligations for which no claim has been asserted, in each case, whether arising before or after the Petition Date) under the DIP Credit Facility, the Senior Lien Facility, or the Junior Lien Facility, the cash collateralization of all treasury and cash management obligations, hedging obligations, and bank product obligations, and the cancellation, replacement, backing, or cash collateralization of letters of credit, in each case, in accordance with the terms of the DIP Credit Facility, the Senior Lien Facility, or the Junior Lien Facility.

120. "*Partial Asset Sale*" means a sale of a portion of the Debtors' assets pursuant to the terms hereof and the Bidding Procedures Order, in form and substance acceptable to the Requisite Consenting Lenders, and subject to the approval of the Bankruptcy Court, which approval shall be sought in connection with the confirmation of the Plan.

121. "*Partial Asset Sale Agreements*" means any and all agreements entered into by and between any of the Debtors and one or more Buyers in connection with a Partial Asset Sale, including any asset purchase agreements or other agreements effectuating and consummating the Partial Asset Sale and any exhibits, attachments, annexes, or schedules to any of the foregoing, the form of which material agreements shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

122. "*Partial Asset Sale Proceeds*" means the Cash Consideration received by the Debtors with respect to a Partial Asset Sale.

123. "*PCO*" means the person appointed to serve as the patient care ombudsman in these Chapter 11 Cases.

124. "*Person*" shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

125. "*Petition Date*" means June 20, 2020, the date on which the Debtors commenced the Chapter 11 Cases.

126. "*Plan*" means this plan, as it may be amended, modified or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto, which shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

127. "*Plan Administrator*" means, if the Entire Company Asset Sale Trigger occurs, the person selected by the Debtors, with the consent of the Requisite Consenting Lenders (not to be unreasonably withheld), to administer the Plan Administrator Assets in accordance with the terms of this Plan, the Confirmation Order, and the Plan Administrator Agreement.

128. "*Plan Administrator Agreement*" means the agreement between the Plan Administrator and the Wind-Down Debtors governing the Plan Administrator, the form of which shall be included in the Plan Supplement and shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

129. "*Plan Administrator Assets*" means, if the Entire Company Asset Sale Trigger occurs, all assets of the Estates vested in the Wind-Down Debtors on the Effective Date (after consummation of the Entire Company Asset Sale), if any, and, thereafter, all assets held from time to time by the Wind-Down Debtors.

130. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms thereof, the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement) to be Filed by the Debtors no later than seven (7) days before the Voting Deadline. The Plan Supplement shall comprise, among other documents, the following, as applicable: (a) Asset Sale Agreements, if any; (b) material Exit Facility Documents, if any; (c) New Organizational Documents, if any; (d) New Board Composition, if applicable; (e) New Stockholders' Agreement, if any; (f) New Warrant Agreement, if any; (g) Schedule of Rejected Executory Contracts and Unexpired Leases; (h) identity and compensation of the Plan Administrator, if any; (i) Plan Administrator Agreement, if any; and (j) any and all other documentation, which shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, necessary to effectuate the Reorganization Transaction or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with Article XII.

131. "*Post-Effective Date Debtors*" means (i) if the Entire Company Asset Sale Trigger occurs, the Wind-Down Debtors, or (b) if the Entire Company Asset Sale Trigger does not occur, the Reorganized Debtors.

132. "*Prepetition Lenders*" means, collectively, the Junior Lenders and the Senior Lenders.

133. "*Priority Claims*" means, collectively, Priority Tax Claims and Other Priority Claims.

134. "*Priority Claims Reserve*" means the amount available for distribution to the Holders of Administrative and Priority Claims as set forth in Article VIII.D, which in the case of an Entire Company Asset Sale shall be funded on the Effective Date from the Cash Consideration received by the Debtors or Wind-Down Debtors in connection with such Entire Company Asset Sale and, in the case of a Reorganization Transaction, shall be funded, if necessary in the Reorganized Debtors' discretion, on or after the Effective Date from the Reorganized Debtors' available Cash.

135. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

136. "*Pro Rata*" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

137. "*Professional*" means an Entity employed pursuant to a Bankruptcy Court order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

138. "*Professional Fee Claims*" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Effective Date to the extent such fees and expenses have not been previously paid.

139. "*Professional Fee Escrow Account*" means an interest-bearing account in an amount equal to the total Professional Fee Reserve Amount funded by the Debtors or Post-Effective Date Debtors on the Effective Date.

140. "*Professional Fee Reserve Amount*" means the aggregate amount of Professional Fee Claims that the Professionals estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Effective Date, which estimates Professionals shall deliver to the Debtors and the DIP Agent as set forth in Article II.B.3.

141. "*Proof of Claim*" means a proof of Claim Filed in the Chapter 11 Cases.

142. "*Qualifying Bid*" shall have the meaning set forth in the Bidding Procedures.

143. "*Reinstated*" or "*Reinstatement*" means, with respect to Claims and Interests, that the Claim or Interest shall be rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

144. "*Released Party*" means each of the following, solely in its capacity as such: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Junior Lien Agent; (e) the Junior Lenders; (f) the Senior Lien Agent; (g) the Senior Lenders; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, and (l) with respect to the foregoing clauses (a) through (j), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such; *provided* that any Holder of a Claim that opts out of the releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a "Released Party."

145. "*Releasing Party*" means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Junior Lien Agent; (d) the Junior Lenders; (e) the Senior Lien Agent; (f) the Senior Lenders; (g) each Buyer, if any; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, (k) with respect to each of the foregoing entities in clauses (a) through (j), such entity's respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (l) each of the Debtors' respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (other than current and former Holders of Interests of AAC Holdings) (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (m) all Holders of Claims that vote, or are deemed, to accept the Plan; (n) all Holders of Claims in voting classes that abstain from voting on the Plan and do not opt out of the releases provided by the Plan; (o) all Holders of Claims that vote to reject the Plan and do not opt out of the releases provided by the Plan; and (p) all other Holders of Claims to the maximum extent permitted by law; provided, however, that, notwithstanding anything to the contrary above, with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, any Holder of a Claim or Interest in such Class shall not be a "Releasing Party" on account of such Claim or Interest (but, for the avoidance of doubt, such Holder could still be a "Releasing Party" with respect to a different Claim or Interest if it is also the Holder of such different Claim or Interest and otherwise meets the definition of "Releasing Party" on account of that different Claim or Interest).

146. "*Remaining DIP Facility Amount*" means, in the case of a Reorganization Transaction in which the Reorganized Debtors enter into the Exit Term Loan Facility, an amount equal to (i) the Allowed DIP Lender Claims on the Effective Date minus (ii) any Partial Asset Sale Proceeds to be applied to the DIP Lender Claims on or after the Effective Date minus (iii) the Converted DIP Facility Amount.

147. "*Reorganization Transaction*" means, if the Entire Company Asset Sale Trigger does not occur, (a) the Partial Asset Sale(s), if any, and distribution of Partial Asset Sale Proceeds to Holders of Claims in accordance with the terms of the Plan and (b) the stand-alone reorganization around the Debtors' remaining assets not subject to a Partial Asset Sale.

148. "*Reorganized AAC Equity Interests*" means the common shares of Reorganized AAC Holdings to be issued and distributed if the Reorganization Transaction occurs.

149. "*Reorganized AAC Holdings*" means either (a) AAC Holdings, or any successor thereto (by merger, amalgamation, consolidation or otherwise), as reorganized pursuant to and under the Plan or (b) a newly formed corporation or limited liability company that may be formed to, among other things, directly or indirectly acquire substantially all of the assets and/or stock of the Debtors and issue the Reorganized AAC Equity Interests to be distributed.

150. "*Reorganized Debtors*" means, in the case of a Reorganization Transaction, Reorganized AAC Holdings and each of the other Debtors, or any successor thereto, as reorganized pursuant to and under the Plan.

151. "*Required DIP Lenders*" has the meaning set forth in the DIP Credit Agreement.

152. "*Requisite Consenting Lenders*" means, as of any date of determination, the Consenting Lenders who collectively own or control as of such date at least (i) a majority of the aggregate principal amount of the Senior Lender Claims owned or controlled by all of the Consenting Lenders as of such date and (ii) a majority of the aggregate principal amount of the Junior Lender Claims owned or controlled by all of the Consenting Lenders as of such date.

153. *"Restructuring Documents*" means the Plan, the Disclosure Statement, the Plan Supplement, and the various agreements and other documents formalizing or implementing the Plan and the transactions contemplated thereunder, each of which shall contain terms and conditions consistent in all material respects with the Restructuring Support Agreement and shall otherwise be in form and substance acceptable to the Debtors and the Requisite Consenting Lenders.

154. "*Restructuring Support Agreement*" means that certain Restructuring Support Agreement, dated as of June 19, 2020, by and among the Debtors and the Consenting Lenders, including all exhibits and schedules attached thereto, as may be amended from time to time in accordance with the terms thereof.

155. "*Schedule of Rejected Executory Contracts and Unexpired Leases*" means the schedule (including any amendments or modifications thereto) of the Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as set forth in the Plan Supplement, as amended by the Debtors from time to time in accordance with the Plan, which shall be consistent in all material respects with the Restructuring Support Agreement and shall otherwise be in form and substance acceptable to the Debtors and the Requisite Consenting Lenders and, in connection with an Entire Company Asset Sale, the Buyer(s).

156. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

157. "*SEC*" means the U.S. Securities and Exchange Commission.

158. "*Secured*" means when referring to a Claim: (a) secured by a Lien on property in which any of the Debtors has an interest, which Lien is valid, perfected, enforceable and unavoidable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the applicable Holder's interest in the applicable Debtor's interest in such property or to the extent of the amount

subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan, or separate order of the Bankruptcy Court, as a secured claim.

159. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, together with the rules and regulations promulgated thereunder, as amended from time to time.

160. "*Senior Lenders*" means the lenders party to the Senior Lien Credit Agreement.

161. "*Senior Lender Claims*" means any and all Claims arising from, under or in connection with the Senior Lien Facility.

162. "*Senior Lender Claims Allowed Amount*" means the aggregate Allowed amount of the Senior Lender Claims, which equals the sum of (i) $55,698,866.82, which includes outstanding principal under the Senior Lien Facility, interest at the default rate under the Senior Lien Facility that accrued and was unpaid as of the Petition Date, makewhole amounts, other premiums, and exit payments under the Senior Lien Facility (other than the Senior Lender Postpetition Interest Amount), (ii) fees, expenses and all other Senior Lien Obligations incurred under the Senior Lien Facility, and (iii) the Senior Lender Postpetition Interest Amount.

163. "*Senior Lender Postpetition Interest Amount*" means the amount of interest, at the default rate, accruing under the Senior Lien Facility between the Petition Date and the Effective Date.

164. "*Senior Lender Unpaid Postpetition Interest Amount*" means the amount of the Senior Lender Postpetition Interest Amount that remains unpaid immediately prior to the occurrence of the Effective Date.

165. "*Senior Lien Agent*" means Ankura (as successor by assignment to Credit Suisse AG), in its capacity as administrative agent and collateral agent under the Senior Lien Facility.

166. "*Senior Lien Credit Agreement*" that certain Credit Agreement, dated as of March 8, 2019 (as amended, supplemented, restated or otherwise modified from time to time prior to, and as in effect on, the Petition Date) by and among AAC Holdings, as borrower, each of the Senior Lien Guarantors, the Senior Lenders, and the Senior Lien Agent.

167. "*Senior Lien Facility*" means the credit facility provided by the Senior Lenders to AAC Holdings under the terms of the Senior Lien Loan Documents.

168. "*Senior Lien Guarantors*" shall have the meaning set forth in the DIP Orders.

169. "*Senior Lien Loan Documents*" means, collectively, (i) the Senior Lien Credit Agreement, (ii) all other agreements, documents, instruments, and certificates executed or delivered in connection with the Senior Lien Credit Agreement, (iii) the Intercreditor Agreement, and (iv) that certain Forbearance Agreement dated as of October 30, 2019 among the Senior Lien Loan Parties, the lenders constituting Required Lenders under the Senior Lien Credit Agreement party thereto and the Senior Lien Agent.

170. "*Senior Lien Loan Parties*" means AAC Holdings and the Senior Lien Guarantors.

171. "*Senior Lien Obligations*" means "Prepetition Senior Lien Obligations" as defined in the DIP Orders.

172. "*Sub-Class*" means, for each Class, the separate sub-Class for each Debtor, as described in Article III.A

173. "*Subordinated Claim*" means a Claim of the type described in and subject to subordination pursuant to section 510(b) of the Bankruptcy Code.

174. "*Transaction Expenses*" means the reasonable fees, costs and expenses of (i) the Consenting Lenders, including the fees, costs and expenses of the Consenting Lender Advisors, and (ii) the DIP Agent, the Junior Lien Agent, and the Senior Lien Agent, including the fees, costs and expenses of their respective professionals.

175. "*U.S. Trustee*" means the Office of the United States Trustee for the District of Delaware.

176. "*Unexpired Lease*" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

177. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that are unimpaired within the meaning of section 1124 of the Bankruptcy Code, including through payment in full in Cash.

178. "*Voting Deadline*" means October 1, 2020, at 4:00 p.m. (prevailing Eastern Time).

179. "*Waterfall Recovery*" means, in the case of an Entire Company Asset Sale, the priority of Claims to be paid from Distributable Proceeds as set forth in Article VIII.F.

180. "*Wind Down*" means, in the event of an Entire Company Asset Sale, the wind down and dissolution of the Debtors' Estates following the Effective Date as set forth in Article VII.B.

181. "*Wind-Down Amount*" means Cash in an amount set forth in the Wind-Down Budget to be determined by the Debtors, with the consent of the Requisite Consenting Lenders, which amount shall be funded by the Debtors and used by the Plan Administrator to fund the Wind Down.

182. "*Wind-Down Budget*" has the meaning set forth in Article VII.A.2.

183. "*Wind-Down Debtors*" means if the Entire Company Asset Sale Trigger occurs, the surviving Debtor(s) after the Effective Date.

184. "*Wind-Down Reserve*" means a segregated account established by the Plan Administrator in accordance with Article VIII.C.

B. Rules of Interpretation

For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to a Person as a Holder of a Claim or Interest includes that Person's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (9) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (13) any immaterial effectuating provisions may be interpreted by the Debtors, Post-Effective Date Debtors, or the Plan Administrator in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Person; (14) all reference to "corporate action" shall mean with respect to any Entity, corporate, limited liability, partnership or other organizational action, as applicable to such Entity; and (15) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Post-Effective Date Debtors shall mean the Debtors and the Post-Effective Date Debtors, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); provided, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and any document included in the Plan Supplement, the terms of the document in the Plan Supplement shall control (unless stated otherwise in such document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

G. Nonconsolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

H. Consent Rights

Notwithstanding anything herein to the contrary, any and all consent rights of the parties to the Restructuring Support Agreement set forth in the Restructuring Support Agreement with respect to the form and substance of the Plan, all exhibits to the Plan, and the Plan Supplement, including any amendments, restatements, supplements, or other modifications to such agreements and documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Article I.A) and be fully enforceable as if stated in full herein.

ARTICLE II.
ADMINISTRATIVE CLAIMS, DIP LENDER CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Lender Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. Administrative Claims

Except with respect to Administrative Claims that are Professional Fee Claims or DIP Lender Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of its Allowed Administrative Claim on the latest of: (a) the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements and/or arrangements governing, instruments evidencing, or other documents relating to such transactions (and no requests for payment of such Administrative Claims must be Filed or served).

Except as otherwise provided in this Article II.A and except with respect to Administrative Claims that are Professional Fee Claims, requests for payment of Allowed Administrative Claims must be Filed and served on the Post-Effective Date Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Post-Effective Date Debtors and the requesting party by the Claims Objection Bar Date.

B. Professional Compensation

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims incurred during the period from the Petition Date through the Confirmation Date shall be Filed no later than 45 days after the Effective Date, provided, however, that nothing herein alters the ability of an Ordinary Course Professional to be paid, or the authority of the Debtors or Post-Effective Date Debtors to pay Ordinary Course Professionals, pursuant to the terms of the OCP Order, and such Ordinary Course Professionals shall not be required to file requests for payment of Professional Fee Claims unless such requests are required under the OCP Order. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established

by the Bankruptcy Code, Bankruptcy Rules, and prior orders of the Bankruptcy Court, including the Interim Compensation Order, and once approved by the Bankruptcy Court, shall be promptly paid from the Professional Fee Escrow Account up to the full Allowed amount. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the amount of Professional Fee Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, and the Post-Effective Date Debtors shall pay the full unpaid amount of such Allowed Administrative Claim in Cash.

2. Professional Fee Escrow Account

On the Effective Date, the Debtors or Post-Effective Date Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Allowed Professional Fee Claims. Such funds shall not be considered property of the Estates. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Post-Effective Date Debtors as soon as reasonably practicable after such Professional Fee Claims are Allowed. When all Allowed amounts owing to the Professionals have been paid in full, any amount remaining in the Professional Fee Escrow Account shall promptly be returned to the Post-Effective Date Debtors without any further action or order of the Bankruptcy Court. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, the remaining unpaid Allowed Professional Fee Claims will be paid by the Post-Effective Date Debtors.

3. Professional Fee Reserve Amount

Professionals shall estimate their unpaid Professional Fee Claims, and shall deliver their reasonable best estimate to the Debtors and the DIP Agent no later than five (5) days before the Effective Date; provided, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims. If a Professional does not provide an estimate, the Debtors or Post-Effective Date Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Effective Date Fees and Expenses

Upon the Effective Date, the Post-Effective Date Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court, and any requirement of such professionals to comply with section 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered on or after such date shall terminate.

C. DIP Lender Claims

As of the Effective Date, the DIP Lender Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding on the Effective Date under the DIP Credit Agreement, the DIP Orders, and the other DIP Documents, including principal, interest, fees, prepayment premiums and expenses and other amounts constituting obligations under the DIP

Credit Agreement. Except to the extent that a Holder of an Allowed DIP Lender Claim agrees, in its sole and absolute discretion, to a less favorable treatment, the DIP Lender Claims and all Liens securing such DIP Lender Claims shall be satisfied in full as follows:

(i) in the case of an Entire Company Asset Sale, the DIP Lender Claims will be Paid in Full in Cash on the Effective Date from the Distributable Proceeds; or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed DIP Lender Claim shall receive on the Effective Date its Pro Rata share of Partial Asset Sale Proceeds, if any, up to the full amount of its Allowed DIP Lender Claim and, to the extent there are any remaining amounts due and owing to the Holders of Allowed DIP Lender Claims, such Holders shall:

a. be Paid in Full in Cash on the Effective Date from the Acceptable Exit Facility to the extent there are sufficient proceeds or availability under the Acceptable Exit Facility; or

b. receive on the Effective Date their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted DIP Facility Amount, (B) Cash equal to the Remaining DIP Facility Amount, and (C) the New Warrants DIP Lender Allocation.

Subject to the Allowed DIP Lender Claims being Paid in Full or otherwise satisfied as contemplated by this Article II.C, and all obligations under the DIP Credit Agreement being satisfied, on the Effective Date, all Liens and security interests granted to secure such obligations (other than those granted in connection with the payoff arrangements and cash collateralization of such obligations) shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

D. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the Holder of an Allowed Priority Tax Claim and the applicable Debtor or Post-Effective Date Debtor, each Holder of an Allowed Priority Tax Claim will receive, at the option of the applicable Debtor or Post-Effective Date Debtor, in full satisfaction of its Allowed Priority Tax Claim that is due and payable on or before the Effective Date, either (i) Cash equal to the amount of such Allowed Priority Tax Claim on the Effective Date or (ii) otherwise treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. For the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

E. Statutory Fees

All fees due and payable pursuant to section 1930 of Title 28 of the United States Code before the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Post-Effective Date Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each

Post-Effective Date Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of the applicable Debtor's Chapter 11 Case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Summary of Classification

This Plan constitutes a separate Plan proposed by each Debtor and the classifications set forth in Classes 1 through 9 shall be deemed to apply to each Debtor. Each Class shall be deemed to constitute separate Sub-Classes of Claims against and Interests in each of the Debtors, as applicable, and each such Sub-Class shall vote as a single separate Class for, and the confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to, each of the Debtors. All Claims and Interests are classified in the Classes set forth below in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Senior Lender Claims	Impaired	Entitled to Vote
4	Junior Lender Secured Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Unimpaired / Impaired[2]	Not Entitled to Vote
7	Subordinated Claims	Impaired	Deemed to Reject
8	Intercompany Interests	Unimpaired/ Impaired[3]	Not Entitled to Vote

[2] See Article III.B.6 for scenarios in which Holders of Intercompany Claims may be Unimpaired and those in which they may be Impaired.

[3] See Article III.B.8 for scenarios in which Holders of Intercompany Interests may be Unimpaired and those in which they may be Impaired.

Class	Claims and Interests	Status	Voting Rights
9	Interests in AAC Holdings	Impaired	Deemed to Reject

B. Treatment of Claims and Interests

Subject to Article VI, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Priority Claims

   a. *Classification*: Class 1 consists of Other Priority Claims.

   b. *Treatment*: In full and final satisfaction of each Allowed Other Priority Claim, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, each Holder thereof will receive payment in full in Cash or other treatment rendering such Claim Unimpaired.

   c. *Voting*: Class 1 is Unimpaired. Holders of Class 1 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

   a. *Classification*: Class 2 consists of Other Secured Claims.

   b. *Treatment*: In full and final satisfaction of each Allowed Other Secured Claim, except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Holder thereof will receive at the option of the Debtors (with the consent of the Requisite Consenting Lenders): (a) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter; (b) delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) Reinstatement of such Claim; or (d) such other treatment rendering such Claim Unimpaired.

c. *Voting*: Class 2 is Unimpaired. Holders of Class 2 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

3. Class 3 – Senior Lender Claims

a. *Classification*: Class 3 consists of all Senior Lender Claims.

b. *Allowance*: The Senior Lender Claims shall be Allowed, in the aggregate, in the Senior Lender Claims Allowed Amount.

c. *Treatment*: In full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Senior Lender Claim shall receive either:

(i) in the case of an Entire Company Asset Sale, Cash on the Effective Date from Distributable Proceeds in the full amount of its Allowed Senior Lender Claim on the Effective Date (which, for the avoidance of doubt, shall not include adequate protection payments, including interest payments, under the terms of the DIP Order); or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed Senior Lender Claim shall receive on the Effective Date (x) Cash in the amount of the Senior Lender Unpaid Postpetition Interest Amount and (y) its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims have been Paid in Full and, to the extent there are any remaining amounts due and owing to the Holders of Allowed Senior Lender Claims, such Holders shall:

A. be Paid in Full in Cash (which, for the avoidance of doubt, shall not include adequate protection payments, including interest payments, already paid under the terms of the DIP Order) on the Effective Date with the proceeds of an Acceptable Exit Facility to the extent there are sufficient proceeds or availability under the Acceptable Exit Facility; or

B. receive on the Effective Date their respective Pro Rata share of (A) the Exit Term Loan Facility in the aggregate amount of the Converted Senior Facility Amount and (B) the New Warrants Senior Lender Allocation.

d. *Voting*: Class 3 is Impaired. Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Junior Lender Secured Claims

a. *Classification*: Class 4 consists of all Junior Lender Secured Claims.

b. *Allowance*: The Junior Lender Secured Claims shall be Allowed, in the aggregate, in the Junior Lender Secured Claim Allowed Amount.

c. *Treatment*: In full and final satisfaction, compromise, settlement, release, and discharge of its Claim (unless the applicable Holder agrees to a less favorable treatment), each Holder of an Allowed Junior Lender Secured Claim shall receive either:

(i) in the case of an Entire Company Asset Sale, its Pro Rata share of the Distributable Proceeds pursuant to the Waterfall Recovery, up to the full amount of its Allowed Junior Lender Secured Claim; or

(ii) in the case of a Reorganization Transaction, each Holder of an Allowed Junior Lender Secured Claim shall receive on the Effective Date its Pro Rata share of any Partial Asset Sale Proceeds, if any, after all Allowed DIP Lender Claims and Allowed Senior Lender Claims have been Paid in Full, and, to the extent there are any remaining amounts due and owing to the Holders of Allowed Junior Lender Secured Claims, such Holders shall receive their Pro Rata share of 100% of the Reorganized AAC Equity Interests, subject to dilution by the New Warrants and the Management Incentive Plan.

d. *Voting*: Class 4 is Impaired. Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

a. *Classification*: Class 5 consists of all General Unsecured Claims.

b. *Treatment*: In full and final satisfaction, compromise, settlement, release, and discharge of each General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive (unless the applicable Holder agrees to a less favorable treatment):

(i) in the case of an Entire Company Asset Sale, its Pro Rata share of the Distributable Proceeds pursuant to the Waterfall Recovery, if any; or

(ii) in the case of a Reorganization Transaction, no recovery or distribution.

c. *Voting*: Class 5 is Impaired. Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

   a. *Classification*: Class 6 consists of all Intercompany Claims.

   b. *Treatment*: In full and final satisfaction of each Allowed Intercompany Claim, each Allowed Intercompany Claim will either be (i) treated consistent with the transactions contemplated by the Entire Company Asset Sale or Partial Asset Sale, if applicable or (ii) in the case of a Reorganization Transaction, (A) Reinstated as of the Effective Date for tax purposes or (B) cancelled, in which case no distribution shall be made on account of such Allowed Intercompany Claim, in each case as determined by the Debtors with the consent of the Requisite Consenting Lenders.

   c. *Voting*: Holders of Class 6 Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) or deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 6 Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Subordinated Claims

   a. *Classification*: Class 7 consists of all Subordinated Claims.

   b. *Treatment*: Subordinated Claims will be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Subordinated Claim will not receive any distribution on account of such Subordinated Claim.

   c. *Voting*: Class 7 is Impaired. Holders of Class 7 Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan

8. Class 8 – Intercompany Interests

   a. *Classification*: Class 8 consists of all Intercompany Interests.

   b. *Treatment*: In full and final satisfaction of each Allowed Intercompany Interest, each Intercompany Interest shall either be (i) treated consistent with the transactions contemplated by the Entire Company Asset Sale or Partial Asset Sale, if applicable or (ii) in the case of a Reorganization Transaction, as determined by the Debtors, with the consent of the Requisite Consenting Lenders, as of the Effective Date, (A) Reinstated or (B) cancelled, in which case no distribution shall be made on account of such Intercompany Interests.

   c. *Voting*: Holders of Class 8 Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) or deemed to have rejected

the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Class 8 Interests are not entitled to vote to accept or reject the Plan.

9. Class 9 – Interests in AAC Holdings

a. *Classification*: Class 9 consists of all Interests in AAC Holdings.

b. *Treatment*: Each Allowed Interest in AAC Holdings shall be cancelled, released, and extinguished, and will be of no further force or effect and no Holder of Interests in AAC Holdings shall be entitled to any recovery or distribution under the Plan on account of such Interests.

c. *Voting*: Class 9 is Impaired. Holders of Class 9 Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

C. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of the Confirmation Hearing by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class(es) of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article XII hereof to the extent, if any, that confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

D. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

E. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class of Claims or Interests is eligible to vote and no Holder of Claims or Interests, as applicable, in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

F. Intercompany Interests and Intercompany Claims

Under a Reorganization Transaction, Holders of Intercompany Interests or Intercompany Claims may retain their respective Interests or Claims not on account of such Interests or Claims, as applicable, but rather for the purposes of administrative convenience, for the ultimate benefit of

the Holders of Reorganized AAC Equity Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims.

G. Subordinated Claims and Interests

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and their respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors, as applicable, reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Means for Implementation Applicable to an Entire Company Asset Sale or a Reorganization Transaction

The following provisions shall apply whether the Plan is implemented through an Entire Company Asset Sale or a Reorganization Transaction.

1. Implementation of Plan Transactions Generally

On the Effective Date, or as soon as reasonably practicable thereafter, the Post-Effective Date Debtors shall take all actions, not inconsistent with the Restructuring Support Agreement, as may be necessary or appropriate to effectuate the restructuring transactions contemplated by the Plan, including, without limitation: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Persons may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (d) such other transactions that are required to effectuate the Plan; (e) all transactions necessary to provide for the purchase of some or all of the assets of, or Interests in, any of the Debtors which purchase may be structured as a taxable transaction for United States federal income tax purposes; and (f) all other actions that the applicable Persons determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

2. Cancellation of Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise specifically provided for in the Plan (including, without limitation, the satisfaction of the DIP Lender Claims in accordance with Article II.C of the Plan): (1) any certificate, share, note, bond, indenture, purchase right, or other instrument or document, directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest, equity, or portfolio interest in the Debtors or any warrants, options, or other securities exercisable or exchangeable for, or convertible into, debt, equity, ownership, or profits interests in the Debtors giving rise to any Claim or Interest shall be cancelled and deemed surrendered as to the Debtors and shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indenture, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be fully released, settled, and compromised; provided, that notwithstanding entry of the Confirmation Order or Consummation, any such instrument or document that governs the rights of a Holder of a Claim or Interest shall continue in effect solely for purposes of: (1) allowing Holders to receive distributions under the Plan; (2) allowing the Senior Lien Agent and Junior Lien Agent to enforce their respective rights, claims, and interests vis-à-vis any parties other than the Released Parties; and (3) preserving any rights of the Senior Lien Agent and Junior Lien Agent to payment of fees, expenses, and indemnification obligations as against any money or property distributable to the Holders of Senior Lender Claims and Junior Lender Claims, respectively, including any rights to priority of payment.

3. General Settlement of Claims

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their respective Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against the Debtors and their respective Estates and Causes of Action against other Entities.

4. Asset Sales

The Debtors shall consummate any Asset Sales pursuant to the terms of this Plan, and the Confirmation Order shall authorize the Debtors to enter into and perform under the Asset Sale Agreements. On the Effective Date, all of the transactions contemplated by any Asset Sale shall be consummated. Any property of the Debtors' Estates that is not transferred under an Asset Sale

Agreement or distributed on the Effective Date pursuant to the terms of this Plan shall revest in the Post-Effective Date Debtors in accordance with the terms of the Plan.

Unless otherwise expressly provided under the terms of a particular Asset Sale Agreement, all matters and transactions provided for in the Asset Sale Agreements, and any partnership, membership, or shareholder action required by the Debtors or the Post-Effective Date Debtors in connection with the Asset Sale Agreements, will be deemed to have occurred and will be in effect, without any requirement of further action by those authorized to act on behalf of the Debtors or the Post-Effective Date Debtors. On or (as applicable) prior to the Effective Date, the appropriate officers, directors, managers or managing members of each Debtor or Post-Effective Date Debtor, as applicable, shall be authorized and directed to issue, execute, deliver, file, and/or record any contracts, agreements, instruments, or other documents contemplated by the Asset Sale Agreements (or necessary or desirable to effect the transactions contemplated by the Asset Sale Agreements), and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Asset Sale Agreements, in each case in the name of and on behalf of such Debtor or Post-Effective Date Debtor. Such authorizations and approvals will be effective notwithstanding any requirements under non-bankruptcy law.

5. Preservation of Causes of Action

Except for any Cause of Action against a Person that is expressly waived, relinquished, exculpated, released, compromised under the Plan or Final Order, transferred in connection with an Asset Sale, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Post-Effective Date Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Post-Effective Date Debtors may pursue such Causes of Action, as appropriate, in the Post-Effective Date Debtors' sole discretion. No Person may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Post-Effective Date Debtors will not pursue any and all available Causes of Action against it. Unless any Causes of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, transferred in connection with an Asset Sale, or settled under the Plan, the Debtors or Post-Effective Date Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of, entry of the Confirmation Order or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the Post-Effective Date Debtors. The Post-Effective Date Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to, or action, order, or approval of, the Bankruptcy Court.

6. Release of Liens

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors' Estates shall be fully released, settled, and compromised, and the holder of such mortgages, deeds of trust, Liens, pledges, or other security interest against any property of the Debtors' Estates shall be authorized to take such actions as may be reasonably requested by the Debtors to evidence such releases.

7. Director and Officer Liability Insurance

The Debtors shall be deemed to have assumed all of the Debtors' D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code effective as of the Effective Date, and coverage for defense and indemnity under any of the D&O Liability Insurance Policies shall remain available to all individuals within the definition of "Insured" in any of the D&O Liability Insurance Policies. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be filed.

In addition, after the Effective Date, none of the Post-Effective Date Debtors shall terminate or otherwise reduce the coverage under any D&O Liability Insurance Policies in effect on or after the Petition Date, with respect to conduct occurring prior thereto, and all directors and officers of the Debtors who served in such capacity on or at any time prior to the Effective Date shall be entitled to the full benefits of any such policy (including any "tail" policy) for the full term of such policy regardless of whether such directors and officers remain in such positions after the Effective Date, in each case to the extent set forth in such policies.

8. Exemption from Certain Transfer Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto, including any Asset Sales, or the issuance, transfer or exchange of any security under the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

9. Tax Structure

To the extent practicable, the transactions contemplated by the Plan, and the consideration received in connection therewith, shall be structured in a manner that (i) minimizes any current taxes payable as a result of the consummation of such transactions and (ii) optimizes the tax efficiency (including, but not limited to, by way of the preservation or enhancement of favorable tax attributes) of such transactions to the Debtors, the Post-Effective Date Debtors, and the holders of equity or debt in the Reorganized Debtors going forward, in each case as determined by the Requisite Consenting Lenders and the Debtors.

B. Means for Implementation Specific to an Entire Company Asset Sale

The following provisions of this Article IV.B shall apply only if the Entire Company Asset Sale Trigger Occurs.

1. The Wind-Down Debtors

The Wind-Down Debtors shall continue to exist after the Effective Date for purposes of (a) dissolving and winding down the Debtors' business and affairs as expeditiously as reasonably possible in accordance with the Wind-Down Budget, (b) resolving Disputed Claims, (c) making distributions on account of Allowed Claims as provided hereunder, (d) establishing and funding the Distribution Reserve Accounts in accordance with Article VIII, (e) filing appropriate tax returns, (f) complying with continuing obligations under the Entire Company Asset Sale Agreements, if any, and (g) administering the Plan. Subject in all respects to the terms of this Plan, each of the Wind-Down Debtors shall be dissolved and wound up as soon as practicable on or after the Effective Date, and notwithstanding any requirements under non-bankruptcy law all corporate actions required by the Debtors, or the Post-Effective Date Debtors in connection with such dissolution and winding up shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, or the Post-Effective Date Debtors.

The Wind-Down Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (i) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court and (ii) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Plan Administrator to file motions or substitutions of parties or counsel in each such matter

2. Vesting of Assets of the Wind-Down Debtors

Except as otherwise provided in the Plan, or any agreement, instrument, or other document incorporated herein or therein, on the Effective Date, the assets of the Debtors shall vest in the Wind-Down Debtors for the purpose of liquidating the Estates, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, the Wind-Down Debtors may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of

Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

3. Plan Administrator

The Plan Administrator shall act for the Wind-Down Debtors in the same fiduciary capacity as applicable to a board of directors, board of managers, managing members and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as directors, managers, managing members or officers of the Debtors shall be deemed to have resigned, and the Plan Administrator shall be appointed as the sole director, sole manager, sole managing member and sole officer of each of the Wind-Down Debtors. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtors, pursuant to the terms of the Plan, Confirmation Order, and Plan Administrator Agreement, as further described in Article VII.

4. Boards of the Wind-Down Debtors

As of the Effective Date, without any further action required on the part of any such person or of the Debtors or the Debtors' officers, directors, managers, shareholders, or members, (i) all members of the existing board of directors or managers (and all committees thereof), as applicable, or the managing member or manager, as applicable, of each of the Wind-Down Debtors shall automatically cease to serve in such capacity and shall be deemed to have been removed from such positions (ii) all remaining officers of each of the Wind-Down Debtors shall automatically cease to serve in such capacity and shall be deemed to have resigned from such positions, as of the Effective Date, and (iii) the Plan Administrator shall be deemed to have been elected or appointed as the sole director, sole manager, sole managing member and sole officer, as applicable, of each of the Wind-Down Debtors; provided however, that all directors, managers, managing members and officers of the Debtors who served in such capacity on or at any time prior to the Effective Date shall be entitled to the full benefits of any applicable D&O Liability Insurance Policies as provided in Article IV.A.7 of the Plan, for the full term of such policies.

C. Means for Implementation Specific to a Reorganization Transaction

If the Entire Company Asset Sale Trigger does not occur, the terms of the Plan will be implemented through a Reorganization Transaction. The Reorganization Transaction may include one or more Partial Asset Sales. Any Partial Assets Sales shall be consummated pursuant to the Confirmation Order and other provisions of the Plan (including Article IV.A.4). The following provisions of this Article IV.C describe provisions that will apply only if the Plan is implemented through a Reorganization Transaction.

1. Sources of Consideration for Plan Distributions

The Reorganized Debtors shall fund distributions under the Plan from the following sources: (a) Cash on hand, including Cash from operations and Partial Asset Sale Proceeds, if any,

and (b) the proceeds of any Exit Facility. Cash payments to be made pursuant to the Plan will be made by the Debtors or Reorganized Debtors, as applicable.

2. Vesting of Assets

Except as otherwise provided in a Partial Asset Sale Agreement, the Plan, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors, including interests held by the Debtors in their respective non-Debtor subsidiaries, shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in a Partial Asset Sale Agreement or the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

3. Reorganized AAC Equity Interests and New Warrants; Reporting Upon Emergence

On the Effective Date, the Reorganized Debtors shall issue the Reorganized AAC Equity Interests and New Warrants, if any, as set forth in the Plan. In the case of a Reorganization Transaction, the Reorganized AAC Equity Interests shall be distributed to Holders of Allowed Junior Lender Secured Claims in accordance with Article III of the Plan and this Article IV.C.3 and, in the case of an Exit Term Loan Facility, the New Warrants shall be distributed to Holders of Allowed DIP Lender Claims and Allowed Senior Lender Claims. The issuance of Reorganized AAC Equity Interests and the New Warrants (if applicable), as well as options, or other equity awards, if any, reserved under the Management Incentive Plan, is duly authorized without the need for any further corporate action and without any further action by the Debtors or Reorganized Debtors or the Holders of Claims.

All Reorganized AAC Equity Interests and New Warrants issued and distributed under the Plan shall be (including the securities issuable upon exercise of the New Warrants, when issued upon such exercise in accordance with the terms of the New Warrants) duly authorized, validly issued, fully paid, and non-assessable. On the Effective Date, Reorganized AAC Holdings shall enter into the New Stockholders' Agreement with each Entity that receives a distribution of Reorganized AAC Equity Interests or New Warrants pursuant to the Plan, and each such Entity shall be deemed as a result of having received distributions of Reorganized AAC Equity Interests pursuant to the Plan to have accepted terms of the New Stockholders Agreement and the New Organizational Documents, in each case without the need for execution by any party thereto other than Reorganized AAC Holdings. As of the Effective Date, the New Stockholders Agreement shall be valid, binding, and enforceable in accordance with its terms by and against each of the parties thereto, and each holder of Reorganized AAC Equity Interests and each holder of New Warrants shall be bound thereby. Without limiting the foregoing, it shall be a condition to the receipt of any Reorganized AAC Equity Interests or any New Warrants that, prior to such receipt, each such recipient duly executes and delivers to the Debtors a duly executed counterpart signature page to the New Stockholders Agreement.

Upon the Effective Date, (i) the Reorganized AAC Equity Interests shall not be registered under the Securities Act and shall not be listed for trading on any national securities exchange, (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act, (iii) Reorganized AAC Holdings shall not be required to and will not file Exchange Act reports with the SEC or any other entity or party, and (iv) Reorganized AAC Holdings shall not be required to file monthly operating reports with the Bankruptcy Court after the Effective Date. The Reorganized AAC Equity Interests and the New Warrants will be issued pursuant to section 1145 of the Bankruptcy Code and be freely transferrable under applicable securities laws without further registration, subject to certain restrictions on transfers by affiliates and underwriters under applicable securities laws. Notwithstanding the foregoing, the Reorganized AAC Equity Interests and the New Warrants shall be subject to transfer restrictions that prohibit any transfer thereof that Reorganized AAC Holdings determines will or could reasonably be expected to result in (i) the number of "holders of record" (as such concept is understood for purposes of Section 12(g) of the Exchange Act) of the Reorganized AAC Equity Interests exceeding the applicable thresholds for registration under Section 12(g) of the Exchange Act or (ii) Reorganized AAC Holdings otherwise being required to register the Reorganized AAC Equity Interests under the Exchange Act, assuming for purposes of (i) and (ii) that all outstanding New Warrants are exercised at the time of such transfer, and any such purported or attempted transfer of New Warrants or Reorganized AAC Equity Interests, as applicable, shall not be recognized by Reorganized AAC Holdings or its stock transfer agent or warrant agent, as applicable.

4. Exit Facility

On the Effective Date, the Reorganized Debtors shall enter into the Exit Facility. Confirmation of the Plan shall be deemed approval of the Exit Facility and the Exit Facility Documents, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the Exit Facility Documents and such other documents as may be required to effectuate the Exit Facility.

On the Effective Date all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (i) shall be deemed to be granted, (ii) shall be legal, binding, and enforceable Liens on, and security interests in, the applicable collateral in accordance with the respective terms of the Exit Facility Documents, (iii) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (iv) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable nonbankruptcy law. The Reorganized Debtors and the Entities that grant such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order (subject solely to the occurrence of the Effective Date) and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings

and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

5. Corporate Existence

Except as otherwise provided in the Plan, the New Organizational Documents, the New Stockholders' Agreement, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval. Notwithstanding the foregoing, in the event of a Reorganization Transaction, Reorganized AAC Holdings shall be redomiciled as a Delaware corporation, pursuant to a statutory conversion or otherwise, on the Effective Date prior to the issuance of the Reorganized AAC Equity Interests and New Warrants.

6. Corporate Action

Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the implementation of the Reorganization Transaction; (b) the selection of the directors and officers for the Reorganized Debtors; (c) the entry into the Exit Facility and the incurrence of credit thereunder; (d) the adoption of the Management Incentive Plan, if any, by the New Board; (e) the issuance and distribution of the Reorganized AAC Equity Interests and, if applicable, the New Warrants; and (f) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors, or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Facility, the Reorganized AAC Equity Interests, the New Warrants (if applicable) and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.C.6 shall be effective notwithstanding any requirements under non-bankruptcy law.

7. New Organizational Documents

On or after the Effective Date, each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state of incorporation or formation in accordance with the applicable laws of the respective state of incorporation or formation. The New Organizational Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective states of incorporation and their respective New Organizational Documents, without further order of the Bankruptcy Court.

8. New Board

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire and such board members will be deemed to have resigned, and the New Board and new officers of each of the Reorganized Debtors shall be appointed in accordance with the New Organizational Documents and other constituent documents of each Reorganized Debtor. The initial composition of the New Board shall be the New Board Composition.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent reasonably practicable, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the New Board, as well as those Persons that will serve as officers of the Reorganized Debtors. To the extent any such director or officer is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Provisions regarding the removal, appointment, and replacement of members of the New Board will be disclosed in the New Organizational Documents.

9. Management Incentive Plan

Within a reasonable time after the Effective Date, the New Board shall adopt a management incentive plan (the "Management Incentive Plan") that provides for the issuance of restricted stock units, options, stock appreciation rights and/or other similar appreciation awards of up to 10% of the Reorganized AAC Equity Interests (on a fully diluted basis) to management, key employees and directors of the Reorganized Debtors. The participants in the Management Incentive Plan, the timing and allocations of the awards to participants, and the other terms and conditions of such awards (including, but not limited to, vesting, exercise prices, base values, hurdles, forfeiture, repurchase rights and transferability) shall be determined by the New Board in its discretion.

10. Employee Obligations

Upon the consent of the Requisite Consenting Lenders, on the Effective Date, the Debtors (other than any Debtor whose assets are sold pursuant to a Partial Asset Sale) shall be deemed to have assumed each of the written contracts, agreements, policies, programs and plans for compensation, bonuses, reimbursement, health care benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave benefits, savings, severance

benefits, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements,policies, programs and plans for bonuses and other incentives or compensation for the Debtors' current and former employees, officers, and managers, including executive compensation programs and existing compensation arrangements for the employees of the Debtors (but excluding any severance agreements with any of Debtors' former employees).

11. Indemnification Obligations

Notwithstanding anything in the Plan to the contrary each Indemnification Obligation shall, subject to the consent of the Requisite Consenting Lenders (in their sole discretion), be assumed by the applicable Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise, shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive confirmation of the Plan, irrespective of when such obligation arose. Upon the consent of the Requisite Consenting Lenders (in their sole and absolute discretion), the Debtors shall assume the Indemnification Obligations for the directors, officers, managers, employees, and other professionals of the Debtors, in their capacities as such, who served or were employed by the Debtors as of or after the Petition Date, irrespective of whether such person has exhausted all remedies under applicable D&O Liability Insurance Policies (subject in each case to the terms of the applicable Indemnification Obligation as in effect on the date of the act or omission for which indemnification is sought). To the extent assumed by the Debtors in accordance with this Article IV.11, any Claim based on the Debtors' obligations in this Article IV.11 shall not be a Disputed Claim or subject to any objection, in either case, by reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise. Notwithstanding the foregoing, nothing shall impair the ability of the Post-Effective Date Debtors to modify indemnification obligations (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) arising after the Effective Date; provided, however, that the assumption of the obligations under the Indemnification Obligations shall not be deemed an assumption by the Debtors of any contract, agreement, resolution, instrument or document in which such Indemnification Obligations are contained, memorialized, agreed to, embodied or created (or any of the terms or provisions thereof) if such contract, agreement, resolution, instrument or document requires the Debtors or the Reorganized Debtors to make any payments or provide any arrangements (including any severance payments) to any current or former director or officer of any of the Debtors other than indemnification payments, reimbursement, and advancement expenses and other similar payments, in each case only pursuant to the Indemnification Obligations.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, in any Asset Sale Agreements, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the

Plan or any Asset Sale Agreements, as of the Effective Date, each Debtor will be deemed to have assumed (and in the case of any Asset Sales, assumed and assigned to the applicable Buyer) each Executory Contract or Unexpired Lease to which such Debtor is a party, unless such Executory Contract or Unexpired Lease (i) was previously assumed or rejected; (ii) was previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion or notice to reject Filed on or before the Confirmation Date; or (iv) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases.

The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions (or assumptions and assignments, as applicable) or rejections described above as of the Effective Date. Unless otherwise indicated, all assumptions, assumptions and assignments, and rejections of Executory Contracts and Unexpired Leases in the Plan will be effective as of the Effective Date. Each Executory Contract and Unexpired Lease assumed or assumed and assigned pursuant to the Plan, or by Bankruptcy Court order, will vest in and be fully enforceable by the applicable Reorganized Debtor or assignee in accordance with its terms, except as such terms may have been modified by order of the Bankruptcy Court.

Notwithstanding the foregoing paragraph or anything contrary herein, the Debtors reserve the right, with the consent of the Requisite Consenting Lenders or Buyer(s), as applicable, to alter, amend, modify, or supplement the Executory Contracts and Unexpired Leases identified for assumption, assumption and assignment, or rejection in the Plan Supplement prior to the Effective Date.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by an order of the Bankruptcy Court, any Proofs of Claim based on the rejection of the Debtors' Executory Contracts or Unexpired Leases pursuant to the Plan or otherwise, must be Filed with the Noticing and Claims Agent no later than the later of (i) thirty (30) days after the Effective Date and (ii) the Bar Date established in the Chapter 11 Cases.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors, as applicable, or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under an Executory Contract or Unexpired Lease to be assumed or assumed and assigned pursuant to the Plan, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Claim, as reflected on the Cure Notice or as otherwise agreed or determined by a Final Order of the Bankruptcy Court, in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described below, or on such other terms as the parties to such Executory Contract or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any Cure Claim (2) the ability of the Reorganized Debtors or any assignee (including a Buyer), as applicable, to provide "adequate assurance of future performance" (with the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the Cure Claims shall be paid following the entry of a Final Order resolving the dispute and approving the assumption. To the extent the Bankruptcy Court determines that the amount of a Cure Claim for an Executory Contract or Unexpired Lease is greater than the amount reflected on the Cure Notice related to such Cure Claim, the Debtors or Post-Effective Date Debtors shall have the right to reject such Executory Contract or Unexpired Lease and, in such an instance, shall not be required to pay the Cure Claim.

At least fourteen (14) days before the Voting Deadline, the Debtors shall distribute, or cause to be distributed, Cure Notices to the applicable third parties. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to the proposed assumption, assumption and assignment, or related Cure amount must be Filed by the Cure/Assumption Objection Deadline**. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, assumption and assignment, or Cure Notice will be deemed to have assented to such assumption or assumption and assignment, and Cure amount. To the extent that the Debtors seek to assume and assign an Unexpired Lease pursuant to the Plan, the Debtors will identify the assignee in the applicable Cure Notice and/or Schedule and provide "adequate assurance of future performance" for such assignee (within the meaning of section 365 of the Bankruptcy Code) under the applicable Executory Contract or Unexpired Lease to be assumed and assigned.

Assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, and the payment of the Cure Claim, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

D. Insurance Policies

All of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the

Effective Date, the Post-Effective Date Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto.

E. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

F. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan or any Asset Sale Agreement, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Debtor or Reorganized Debtor has any liability thereunder.

G. Nonoccurrence of Effective Date

If the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting any Executory Contract or Unexpired Lease pursuant to section 365(d)(4) of the Bankruptcy Code.

H. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into in the ordinary course of business after the Petition Date by any Debtor, including any Executory Contracts and/or Unexpired Leases assumed by such Debtor, will be performed by the applicable Reorganized Debtor or the Buyer(s), as applicable, in the ordinary course of its business, and will survive and remain unaffected by entry of the Confirmation Order, except as provided therein.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the

performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided in the Plan (including the subsequent paragraph of this Article VI.B.1), distributions to Holders of Allowed Claims or Interests shall be made to Holders of record as of the Distribution Record Date by the Reorganized Debtors: (1) to the signatory set forth on any Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (2) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors after the date of any related Proof of Claim; (3) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Reorganized Debtors have not received a written notice of a change of address; or (4) on any counsel that has appeared in the Chapter 11 Cases on such Holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Post-Effective Date Debtors, and the Plan Administrator shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

All Distributions on account of Allowed DIP Lender Claims, Allowed Senior Lender Claims, and Allowed Junior Lender Claims shall be made to or at the direction of the DIP Agent, Senior Lien Agent, and Junior Lien Agent, as applicable, for further distribution to the DIP Lenders, Senior Lenders, and Junior Lenders, as applicable, in accordance with the Plan and the DIP Credit Agreement, Senior Lien Credit Agreement, and Junior Lien Credit Agreement, as applicable, and shall be deemed completed when made to or at the direction of the DIP Agent, Senior Lien Agent, and Junior Lien Agent, as applicable. For the avoidance of doubt: (i) the Reorganized AAC Equity Interests and New Warrants will be in book entry form only; (ii) the DIP Agent, Senior Lien Agent, and Junior Lien Agent shall have no liability to any party for actions taken in accordance with the Plan or in reliance upon information provided to it in accordance with the Plan; and (iii) the Reorganized Debtors shall reimburse the DIP Agent, Senior Lien Agent, and Junior Lien Agent for any reasonable and documented fees and expenses (including reasonable and documented fees and expenses of its counsel and agents) incurred on or after the Effective Date in connection with the implementation of the Plan, including but not limited to, making distributions pursuant to and in accordance with the Plan.

2. No Fractional Distributions

No fractional shares of Reorganized AAC Equity Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of Reorganized AAC Equity Interests that is not a whole number, the actual distribution of shares of Reorganized AAC Equity Interests shall be rounded as follows: (a) fractions of one half or greater shall be rounded to the next higher whole number and (b) fractions of less than one half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares of Reorganized AAC Equity Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

3. Minimum Distributions

Holders of Allowed Claims entitled to distributions of $100 or less shall not receive distributions, and each such Claim shall be discharged pursuant to Article X and its Holder is forever barred pursuant to Article X from asserting that Claim against the Reorganized Debtors or their property.

4. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Reorganized Debtors or the Plan Administrator, as applicable, have determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the date that is six (6) months after the Effective Date. After such date, all unclaimed property or interests in property shall revert to the applicable Post-Effective Date Debtor, without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

C. Registration or Registration Exemption

If a Reorganization Transaction occurs, the Reorganized AAC Equity Interests and the New Warrants will be "securities," as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

The offering, distribution, issuance and sale of the Reorganized AAC Equity Interests and the New Warrants as contemplated by the Plan will be exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration of the Reorganized AAC Equity Interests and the New Warrants prior to the offering, issuance, distribution, or sale thereof, to the fullest extent permitted by Section 1145 of the Bankruptcy Code. The Reorganized AAC Equity Interests and the New Warrants issued pursuant to Section 1145 of the Bankruptcy Code (i) will not be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) will be freely transferable by any initial

recipient thereof that (a) is not an "affiliate" of the issuer of the Reorganized AAC Equity Interests as defined in Rule 144(a)(1) under the Securities Act, (b) has not been such an "affiliate" within 90 days of such transfer, and (c) is not an "underwriter" as defined in Section 1145(b) of the Bankruptcy Code, subject to the applicable restrictions on transfer set forth in the New Organizational Documents and any applicable regulatory approval.

The Reorganized AAC Equity Interests or New Warrants issued otherwise than pursuant to Section 1145 under the Bankruptcy Code, if any (e.g., those issued to a person who is an "underwriter" as defined in Section 1145(b) of the Bankruptcy Code), will be issued in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act or any other available exemption from registration under the Securities Act, as applicable, and will be "restricted securities" as defined under Rule 144 under the Securities Act. These securities will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration under the Securities Act or pursuant to an applicable exemption from registration under the Securities Act and other applicable law, subject to the applicable restrictions on transfer set forth in the New Organizational Documents and any applicable regulatory approval. All persons who receive restricted securities pursuant to the Plan will be required to agree that they will not offer, sell or otherwise transfer any such shares except in accordance with an applicable exemption from registration under the Securities Act, and each such person will also be required to represent that such person is an "accredited investor", as defined under Rule 501(a) promulgated under the Securities Act.

D. Tax Issues and Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors, the Post-Effective Date Debtors, or the Plan Administrator, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Post-Effective Date Debtors or the Plan Administrator, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

Property deposited into the various Claim distribution accounts described elsewhere in the Plan (including the Priority Claims Reserve, Other Secured Claims Reserve, and the General Account) will be subject to disputed ownership fund treatment under section 1.468B-9 of the United States Treasury Regulations. All corresponding elections with respect to such accounts shall be made, and such treatment shall be applied to the extent possible for state, local, and non-U.S. tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts, any taxes (including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution) imposed on such accounts shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes).

The expected income tax consequences to the Debtors and each class of Claimants is set forth in the Disclosure Statement.

E. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed herein.

F. No Postpetition Interest on Claims

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim.

G. Setoffs and Recoupment

The Debtors or the Post-Effective Date Debtors, as applicable, may, but shall not be required to, set off against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Debtors or the Post-Effective Date Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Post-Effective Date Debtors of any such Claim it may have against the Holder of such Claim.

H. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

To the extent that the Holder of an Allowed Claim receives payment in full on account of such Claim from a party that is not a Debtor or Post-Effective Date Debtor, such Claim shall be Disallowed without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or Post-Effective Date Debtor on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Debtor or Post-Effective Date Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or Post-Effective Date Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim

has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Notwithstanding anything herein to the contrary (including, without limitation, Article X), nothing shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
THE PLAN ADMINISTRATOR

The following provisions shall apply only if the Entire Company Asset Sale Trigger occurs and a Plan Administrator is appointed.

A. The Plan Administrator

The powers of the Plan Administrator shall be set forth in the Plan Administrator Agreement and shall include any and all powers and authority to implement the Plan and to administer and distribute the Distribution Reserve Accounts and wind down the business and affairs of the Debtors and Wind-Down Debtors, including: (1) liquidating, receiving, holding, investing, supervising, and protecting the assets of the Wind-Down Debtors in accordance with the Wind-Down Reserve; (2) taking all steps to execute all instruments and documents necessary to effectuate the distributions to be made under the Plan from the Distribution Reserve Accounts in accordance with the Wind-Down Reserve; (3) making distributions from the Distribution Reserve Accounts as contemplated under the Plan; (4) establishing and maintaining bank accounts in the name of the Wind-Down Debtors; (5) subject to the terms set forth herein, employing, retaining, terminating, or replacing professionals to represent it with respect to its responsibilities or otherwise effectuating the Plan to the extent necessary; (6) paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind-Down Debtors; (7) administering and paying taxes of the Wind-Down Debtors, including filing tax returns; (8) representing the interests of the Wind-Down Debtors or the Estates before any taxing authority in all matters, including any action, suit, proceeding, or audit; (9) reconciling, objecting to, and resolving Claims in accordance with Article IX of the Plan, (10) pursuing any Causes of Action included in the Plan Administrator Assets, and (11) exercising such other powers as may be vested in it pursuant to order of the Bankruptcy Court, pursuant to the Plan, pursuant to the Plan Administrator Agreement, or as it reasonably deems to be necessary and proper to carry out the provisions of the Plan in accordance with the Wind-Down Reserve.

The Plan Administrator may resign at any time upon 30 days' written notice delivered to the Consenting Lenders and the Bankruptcy Court; provided that such resignation shall only become effective upon the appointment of a permanent or interim successor Plan Administrator, to be chosen by the Consenting Lenders. Upon appointment, the successor Plan Administrator, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of its predecessor and all responsibilities of the predecessor Plan Administrator relating to the Wind-Down Debtors shall be terminated.

1. Plan Administrator Rights and Powers

The Plan Administrator shall retain and have all the rights, powers, and duties necessary to carry out his or her responsibilities under this Plan in accordance with the Wind-Down Reserve, and as otherwise provided in the Confirmation Order. The Plan Administrator shall be the representative of the Estates appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

2. Wind-Down Budget

The Debtors shall include in the Plan Supplement, in form and substance satisfactory to the Required Consenting Lenders, a statement of cash receipts and disbursements (which shall include the funding of the Distribution Reserve Accounts and the Professional Fee Escrow Account) and amount of Senior Lender Claims, if any, and Junior Lender Claims outstanding for the Wind-Down, setting forth on a weekly basis, the anticipated uses of the Distributable Proceeds (the "Wind-Down Budget", as may be updated, amended or modified from time to time with the written consent of the Requisite Consenting Lenders).

3. Retention of Professionals

The Plan Administrator shall have the right, subject to the Wind-Down Reserve, to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Plan Administrator, are necessary to assist the Plan Administrator in the performance of his or her duties. The reasonable fees and expenses of such professionals shall be paid by the Wind-Down Debtors from the Wind-Down Reserve upon the monthly submission of statements to the Plan Administrator to the extent set forth in the Wind-Down Reserve. The payment of the reasonable fees and expenses of the Plan Administrator's retained professionals shall be made in the ordinary course of business from the Wind-Down Reserve and shall not be subject to the approval of the Bankruptcy Court.

4. Compensation of the Plan Administrator

The Plan Administrator's compensation shall be as described in the Plan Supplement and paid out of the Wind-Down Reserve. Except as otherwise ordered by the Bankruptcy Court, the reasonable fees and expenses incurred by the Plan Administrator on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement Claims (including reasonable attorney fees and expenses) made by the Plan Administrator in connection with such Plan Administrator's duties shall be paid without any further notice to, or action, order, or approval

of, the Bankruptcy Court in Cash from the Wind-Down Reserve if such amounts relate to any actions taken hereunder.

5. Plan Administrator Expenses

All costs, expenses and obligations incurred by the Plan Administrator in administering this Plan, the Wind-Down Debtors, or in any manner connected, incidental or related thereto, in effecting distributions from the Wind-Down Debtors thereunder (including the reimbursement of reasonable expenses) shall be incurred and paid in accordance with the Wind-Down Budget. Such costs, expenses and obligations shall be paid from the Wind-Down Reserve.

The Debtors and the Plan Administrator, as applicable, shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. However, in the event that the Plan Administrator is so ordered after the Effective Date, all costs and expenses of procuring any such bond or surety shall be paid for with Cash from the Wind-Down Reserve.

B. Wind-Down

On and after the Effective Date, the Plan Administrator will be authorized to implement the Plan and any applicable orders of the Bankruptcy Court, and the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve the Debtors' Estates.

As soon as practicable after the Effective Date, the Plan Administrator shall: (1) cause the Debtors and the Wind-Down Debtors, as applicable, to comply with, and abide by, the terms of the Entire Company Asset Sale Agreements and any other documents contemplated thereby; (2) to the extent applicable, file a certificate of dissolution or equivalent document, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of their state of incorporation or formation (as applicable); and (3) take such other actions as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of the Plan. The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Plan Administrator.

C. Exculpation, Indemnification, Insurance & Liability Limitation

The Plan Administrator and all professionals retained by the Plan Administrator, each in their capacities as such, shall be deemed exculpated and indemnified, except for fraud, willful misconduct, or gross negligence, in all respects by the Wind-Down Debtors. The Plan Administrator may obtain, at the expense of the Wind-Down Debtors and with funds from the Wind-Down Reserve, commercially reasonable liability or other appropriate insurance with respect to the indemnification obligations of the Wind-Down Debtors. The Plan Administrator may rely upon written information previously generated by the Debtors.

For the avoidance of doubt, notwithstanding anything to the contrary contained herein, the Plan Administrator in its capacity as such, shall have no liability whatsoever to any party for the

liabilities and/or obligations, however created, whether direct or indirect, in tort, contract, or otherwise, of the Debtors.

D. Tax Returns

After the Effective Date, the Plan Administrator shall complete and file all final or otherwise required federal, state, and local tax returns for each of the Debtors, and, pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability or refunds due each of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws.

E. Dissolution of the Wind-Down Debtors

At any time the Plan Administrator determines that the expense of administering the Wind-Down Debtors so as to make a final distribution to Holders of Claims is likely to exceed the value of the assets remaining for such distribution, the Plan Administrator may (i) reserve any amount necessary to close the Chapter 11 Cases and dissolve and otherwise wind down the Wind-Down Debtors and (ii) donate any balance to a charitable organization that is unrelated to the Debtors, the Plan Administrator, and any insider of the Plan Administrator.

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Debtors shall be deemed to be dissolved without any further action by the Wind-Down Debtors, including the filing of any documents with the secretary of state for the state in which each Wind-Down Debtor is formed or any other jurisdiction. The Plan Administrator, however, shall have authority to take all necessary actions to dissolve the Wind-Down Debtors in and withdraw the Wind-Down Debtors from applicable state(s).

ARTICLE VIII.
RESERVES ADMINISTERED BY THE PLAN ADMINISTRATOR

The following provisions shall apply only if the Entire Company Asset Sale Trigger occurs and a Plan Administrator is appointed; provided, however, that in the case of a Reorganization Transaction, if the Debtors or Reorganized Debtors, with the consent of the Requisite Consenting Lenders, determine that they are required, or that it is necessary, to establish any of the reserves set forth in this Article VIII, the Reorganized Debtors (rather than a Plan Administrator) shall administer such reserves in the manner established by this Article VIII.

A. Establishment of Reserve Accounts

The Plan Administrator shall establish each of the Distribution Reserve Accounts (which may be affected by either establishing a segregated account or establishing book entry accounts, in the sole discretion of the Plan Administrator).

B. Undeliverable Distribution Reserve

1. Deposits

If a distribution to any Holder of an Allowed Claim is returned to the Plan Administrator as undeliverable or is otherwise unclaimed, such distribution shall be deposited in a segregated, interest-bearing account, designated as an "Undeliverable Distribution Reserve," for the benefit of such Holder until such time as such distribution becomes deliverable, is claimed or is deemed to have been forfeited in accordance with Article VIII.B.2 of the Plan.

2. Forfeiture

Any Holder of an Allowed Claim that does not assert a Claim pursuant to this Plan for an undeliverable or unclaimed distribution within three months after the first distribution is made to such Holder shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for the undeliverable or unclaimed distribution against any Debtor, any Estate, the Plan Administrator, the Wind-Down Debtors, or their respective properties or assets. In such cases, any Cash or other property held by the Wind-Down Debtors in the Undeliverable Distribution Reserve for distribution on account of such claims for undeliverable or unclaimed distributions, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, without any further action or order of the Court shall promptly be transferred to the General Account to be distributed according to the priority set forth in Article VIII.F, notwithstanding any federal or state escheat laws to the contrary.

3. Disclaimer

The Plan Administrator and his or her respective agents and attorneys are under no duty to take any action to attempt to locate any Claim Holder; provided that in his or her sole discretion, the Plan Administrator may periodically publish notice of unclaimed distributions.

4. Distribution from Reserve

Within fifteen (15) Business Days after the Holder of an Allowed Claim satisfies the requirements of this Plan, such that the distribution(s) attributable to its Claim is no longer an undeliverable or unclaimed distribution (provided that satisfaction occurs within the time limits set forth in Article VIII.B), the Plan Administrator shall distribute out of the Undeliverable Distribution Reserve the amount of the undeliverable or unclaimed distribution attributable to such Claim, including the interest that has accrued on such undeliverable or unclaimed distribution while in the Undeliverable Distribution Reserve, to the General Account.

C. Wind-Down Reserve

On the Effective Date, the Plan Administrator shall establish the Wind-Down Reserve by depositing Cash, in the amount of the Wind-Down Amount into the Wind-Down Reserve. The Wind-Down Reserve shall be used by the Plan Administrator solely to satisfy the expenses of Wind-Down Debtors and the Plan Administrator as set forth in the Plan and Wind-

Down Budget; provided that all costs and expenses associated with the winding up of the Wind-Down Debtors and the storage of records and documents shall constitute expenses of the Wind-Down Debtors and shall be paid from the Wind-Down Reserve to the extent set forth in the Wind-Down Budget. In no event shall the Plan Administrator be required or permitted to use personal funds or assets for such purposes. Any amounts remaining in the Wind-Down Reserve after payment of all expenses of the Wind-Down Debtors and the Plan Administrator shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F without any further action or order of the Bankruptcy Court.

D. Priority Claims Reserve

On the Effective Date, the Plan Administrator shall establish the Priority Claims Reserve by depositing Cash in the amount of the Priority Claims Reserve Amount into the Priority Claims Reserve. The Priority Claims Reserve Amount shall be used to pay Holders of all Allowed Priority Claims and Allowed Administrative Claims to the extent that such Priority Claims and Administrative Claims have not been paid in full on or before the Effective Date. If all or any portion of a Priority Claim or Administrative Claim shall become a Disallowed Claim, then the amount on deposit in the Priority Claims Reserve attributable to such surplus or such Disallowed Claim, including the interest that has accrued on said amount while on deposit in the Priority Claims Reserve, shall remain in the Priority Claims Reserve to the extent that the Plan Administrator determines necessary to ensure that the Cash remaining in the Priority Claims Reserve is sufficient to ensure that all Allowed Priority Claims and Allowed Administrative Claims will be paid in accordance with the Plan, and shall otherwise promptly be transferred to the General Account to be distributed in accordance with the Plan without any further action or order of the Bankruptcy Court. Any amounts remaining in the Priority Claims Reserve after payment of all Allowed Priority Claims and Allowed Administrative Claims shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F without any further action or order of the Bankruptcy Court.

E. Other Secured Claim Reserve

On the Effective Date, the Plan Administrator shall establish the Other Secured Claims Reserve by depositing Cash in the amount of the Other Secured Claims Reserve Amount into the Other Secured Claims Reserve. The Other Secured Claims Reserve Amount shall be used to pay Allowed Other Secured Claims. If all or any portion of an Other Secured Claim shall become a Disallowed Claim, then the amount on deposit in the Other Secured Claims Reserve attributable to such surplus or such Disallowed Claim, including the interest that has accrued on said amount while on deposit in the Other Secured Claims Reserve, shall remain in the Other Secured Claims Reserve to the extent that the Plan Administrator determines necessary to ensure that the Cash remaining in the Other Secured Claims Reserve is sufficient to ensure that all Allowed Other Secured Claims will be paid in accordance with the Plan, and shall otherwise promptly be transferred to the General Account to be distributed in accordance with the Plan without any further action or order of the Bankruptcy Court. Any amounts remaining in the Other Secured Claims Reserve after satisfaction of all Allowed Other Secured Claims shall promptly be transferred to the General Account and shall be distributed according to the priority set forth in Article VIII.F without any further action or order of the Bankruptcy Court.

F. Distributable Proceeds/Waterfall Recovery

All Distributable Proceeds shall be allocated and paid to the applicable Holders of Claims in the following priority (in each case on a Pro Rata basis): (i) *first*, on account of Allowed DIP Lender Claims until Paid in Full; (ii) *second*, on account of Allowed Senior Lender Claims until Paid in Full; (iii) *third*, on account of Allowed Junior Lender Secured Claims until Paid in Full; and (iv) *fourth*, on account of Allowed General Unsecured Claims (the "Waterfall Recovery").

G. The General Account and Distribution Reserve Account Adjustments

Beginning on the six-month anniversary of the Effective Date or at such other times as the Plan Administrator shall determine is appropriate, and thereafter, on each six-month interval or such other interval as the Plan Administrator shall determine is appropriate, the Plan Administrator shall determine the amount of Cash required to adequately maintain each of the Distribution Reserve Accounts. If after making and giving effect to any determination referred to in the immediately preceding sentence, the Plan Administrator determines that any Distribution Reserve Account (i) contains Cash in an amount in excess of the amount then required to adequately maintain such Distribution Reserve Account, then at any such time the Plan Administrator shall transfer such surplus Cash to the General Account to be used or distributed according to the priority set forth in Article VIII.F hereof, or (ii) does not contain Cash in an amount sufficient to adequately maintain such Distribution Reserve Account, then at any such time the Plan Administrator shall, with the consent of the Required Consenting Lenders, transfer Cash from the General Account, to the extent Cash is available in the General Account until the deficit in such Distribution Reserve Account is eliminated. Any funds in the General Account not needed to eliminate a Distribution Reserve Account deficit shall be allocated and paid as Distributable Proceeds pursuant to the Waterfall Recovery as set forth in Article VIII.F.

H. GUC Disputed Claims Reserve

To the extent that there are sufficient Distributable Proceeds pursuant to the Waterfall Recovery to make one or more distributions to Holders of Allowed General Unsecured Claims, the Plan Administrator shall establish, for the benefit of each holder of a Disputed General Unsecured Claim, the GUC Disputed Claims Reserve consisting of Cash in an amount equal to the Pro Rata share of distributions that would have been made to the holder of such Disputed General Unsecured Claim if it were an Allowed General Unsecured Claim in an amount equal to the lesser of (i) the liquidated amount set forth in the filed Proof of Claim relating to such Disputed General Unsecured Claim or if no Proof of Claim has been filed the liquidated amount set forth in the Schedules, (ii) the amount in which the Disputed General Unsecured Claim has been estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code as constituting and representing the maximum amount in which such Claim may ultimately become an Allowed General Unsecured Claim or (iii) such other amount as may be agreed upon by the holder of such Disputed General Unsecured Claim and the Plan Administrator. Amounts held in the GUC Disputed Claims Reserve shall be retained by the Wind Down Debtors for the benefit of holders of Disputed General Unsecured Claims pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any Disputed General Unsecured Claim pending the entire resolution thereof by Final Order.

At such time as a Disputed General Unsecured Claim becomes an Allowed General Unsecured Claim, the Plan Administrator shall distribute to the holder thereof the distributions, if any, to which such holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing such Disputed General Unsecured Claim becomes a Final Order.

If a Disputed General Unsecured Claim is Disallowed, in whole or in part, the Plan Administrator shall distribute amounts held in the GUC Disputed Claims Reserve with respect to such Claim (or, if Disallowed in part, the amounts held in the GUC Disputed Claims Reserve with respect to the Disallowed portion of such Claim) to the General Account.

ARTICLE IX.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Plan Administrator or each of the Reorganized Debtors, as applicable, shall have and retain any and all rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

B. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Plan Administrator or the Reorganized Debtors, as applicable, shall have the sole authority to File and prosecute objections to Claims, and the Plan Administrator or Reorganized Debtors, as applicable, shall have the sole authority to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise; (2) settle, compromise, or resolve any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) administer and direct the adjustment of the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Estimation of Claims

Before, on, or after the Effective Date, the Debtors, Plan Administrator or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim pursuant to applicable law, including, without limitation, pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has

objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors, Plan Administrator or Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims Without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register as directed by the Debtors, the Plan Administrator or the Reorganized Debtors, as applicable, without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

F. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors, the Plan Administrator or the Reorganized Debtors, as applicable. All Proofs of Claim Filed on account of an Indemnification Obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as otherwise provided herein or as agreed to by the Plan Administrator or the Reorganized Debtors, as applicable, any and all Proofs of Claim Filed after the Claims Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive

any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

G. Amendments to Claims

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court, or by agreement with the Plan Administrator or the Reorganized Debtors, as applicable, and any such new or amended Claim Filed shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law, unless otherwise ordered by the Bankruptcy Court.

H. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim or unless otherwise determined by the Plan Administrator or Reorganized Debtors, as applicable.

I. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

ARTICLE X.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, theprovisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have, or any distribution to be made on account of such Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Post-

Effective Date Debtors, as applicable, may compromise and settle any Claims and Causes of Action against other Entities.

B. Discharge of Claims and Termination of Interests

To the maximum extent provided by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan (including the Exit Facility Documents and the New Organizational Documents, as applicable): (a) the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of any and all Claims (including any Intercompany Claims resolved or compromised (consistent with the Reorganization Transaction) after the Effective Date by the Post-Effective Date Debtors), Interests (including any Intercompany Interests reinstated or cancelled and released (consistent with the Reorganization Transaction) after the Effective Date by the Post-Effective Date Debtors), and Causes of Action against the Debtors of any nature whatsoever including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such liability relates to services performed by employees of the Debtors prior to the Effective Date and that arises from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, any interest accrued on Claims or Interests from and after the Petition Date, and all other liabilities against, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, (b) the Plan shall bind all Holders of Claims and Interests, (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code, and (d) all Entities shall be precluded from asserting against the Debtors, their respective Estates, the Post-Effective Date Debtors, their successors and assigns, and its assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, in each case regardless of whether or not: (i) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; (iii) the Holder of such a Claim or Interest has accepted, rejected or failed to vote to accept or reject the Plan; or (iv) any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests. Any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

C. Term of Injunctions or Stays

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until

the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

D. Release of Liens

Except as otherwise specifically provided in the Plan (including, without limitation the satisfaction of the DIP Lender Claims in accordance with Article II.C of the Plan), the Exit Facility Documents, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Post-Effective Date Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or Reorganized Debtors. The DIP Agent, Senior Lien Agent, and Junior Lien Agent shall execute and deliver all documents reasonably requested by the Post-Effective Date Debtors or the agent(s) under the Exit Facility to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests and shall authorize the Post-Effective Date Debtors to file UCC-3 termination statements (to the extent applicable) with respect thereto.

E. Debtor Release

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed forever released, waived, and discharged by the Debtors, Post-Effective Date Debtors, and their respective Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that the Debtors, Post-Effective Date Debtors, or their respective Estates would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in the Debtors based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, the Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of

Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Debtor Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; a good faith settlement and compromise of the Claims released by the Debtor Release; in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any of the Debtors, Post-Effective Date Debtors, or the Debtors' respective Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

F. Release by Holders of Claims or Interests

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party is deemed to have forever released, waived, and discharged each of the Debtors, Reorganized Debtors, and Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility,

the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; a good faith settlement and compromise of the Claims released by the Third-Party Release; in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

G. Exculpation

Notwithstanding anything contained in the Plan to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Cause of Action or any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or

omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

The Exculpated Parties have, and upon confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and distribution of consideration pursuant to, the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

Notwithstanding anything to the contrary in the foregoing, the exculpation set forth above does not release or exculpate any Claim relating to any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan.

H. Mutual Release Between Debtors and Consenting Lenders

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, (i) each of (a) the Debtors, (b) the Post-Effective Date Debtors, (c) their respective Estates, and (d) with respect to the foregoing clauses (a) through (c), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such (with respect to the foregoing clauses (a) through (d), the "Debtor Parties") is deemed released and discharged by each of (x) the Consenting Lenders and (y) each Consenting Lender's current and former Affiliates, and such Consenting Lender's and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such (with respect to the foregoing clauses (x) and (y), the "Consenting Lender Parties") and (ii) each of the Consenting Lender Parties is deemed released and discharged by each of the Debtor Parties, in each case in the foregoing clauses (i) and (ii) on behalf of themselves and their respective successors, assigns, and

representatives, and any and all other entities who may purport to assert any cause of action, by, through, for, or because of the foregoing entities, from any and all claims and Causes of Action, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any intercompany transaction, the Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (collectively, the "Mutual Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Mutual Release.

I. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (a) are subject to compromise and settlement pursuant to the terms of the Plan; (b) have been released by the Debtors pursuant to the Plan; (c) have been released by third parties pursuant to the Plan, (d) are subject to exculpation pursuant to the Plan; or (e) are otherwise discharged, satisfied, stayed or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, Post-Effective Date Debtors, the Released Parties, or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on

account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests discharged, released, exculpated, or settled pursuant to the Plan.

J. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Post-Effective Date Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Post-Effective Date Debtors, or another Entity with whom the Post-Effective Date Debtors have been associated, solely because the Debtors have been debtors under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

K. Recoupment

In no event shall any Holder of a Claim be entitled to recoup against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has provided notice of such recoupment in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

L. Subordination Rights.

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

ARTICLE XI.
CONDITIONS PRECEDENT TO CONFIRMATION AND THE EFFECTIVE DATE

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C hereof):

1. The Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated by the Debtors or the Requisite Consenting Lenders;

2. The final version of the schedules, documents, and exhibits contained in the Plan Supplement, and all other schedules, documents, supplements and exhibits to the Plan, shall be consistent with the Restructuring Support Agreement in all material respects and otherwise approved by the Requisite Consenting Lenders and the Debtors consistent with their respective consent and approval rights in the Restructuring Support Agreement; and

3. The Disclosure Statement Order, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified or vacated on appeal, and (c) shall have become a Final Order.

B. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article XI.C hereof):

1. The Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated by the Debtors or the Requisite Consenting Lenders;

2. All Transaction Expenses shall have been Paid in Full in Cash;

3. The Debtors shall not be in default under the DIP Credit Agreement or the DIP Orders (or, to the extent that the Debtors have been or are in default on the proposed Effective Date, such default shall have been waived by the DIP Lenders or cured in a manner consistent with the DIP Credit Agreement and the DIP Order, as applicable);

4. The DIP Lender Claims shall have been Paid in Full or otherwise satisfied in accordance with Article II.C of the Plan;

5. In the case of a Reorganization Transaction, (a) all conditions precedent to the effectiveness of the Exit Facility shall have been satisfied or duly waived; and (b) the Minimum Liquidity Condition shall have been satisfied;

6. In the case of a Reorganization Transaction, the New Organizational Documents shall have been filed with the appropriate governmental authority, as applicable;

7. The Confirmation Order, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified or vacated on appeal, and (c) shall have become a Final Order;

8. All governmental and third-party approvals and consents necessary in connection with the transactions contemplated by the Plan shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on such transactions;

9. The final version of the schedules, documents, and exhibits contained in the Plan Supplement, and all other schedules, documents, supplements and exhibits to the Plan, shall be consistent with the Restructuring Support Agreement in all material respects and otherwise approved by the Requisite Consenting Lenders and the Debtors consistent with their respective consent and approval rights in the Restructuring Support Agreement;

10. All fees, expenses, and other amounts payable pursuant to the Restructuring Support Agreement and the DIP Orders shall have been paid in full;

11. All Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such Allowed Professional Fee Claims after the Effective Date shall have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court;

12. All actions, documents, and agreements necessary to implement and consummate the Plan shall have been effected or executed and binding on all parties thereto and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws;

13. All conditions precedent to the issuance of the Reorganized AAC Equity Interests, other than any conditions related to the occurrence of the Effective Date, shall have occurred and the Reorganized AAC Equity Interests shall have been issued;

14. In the case of a Reorganization Transaction, there shall be no ruling, judgment or order issued by any Governmental Unit making illegal, enjoining, or otherwise preventing or prohibiting the consummation of the Reorganization Transaction, unless such ruling, judgment or order has been stayed, reversed or vacated within three (3) Business Days after such issuance;

15. The Debtors shall have implemented the Reorganization Transaction in a manner consistent in all material respects with the Plan, the Confirmation Order, and the Restructuring Support Agreement; and

16. In the event of any Asset Sales, all conditions precedent to the effectiveness of the Asset Sale Agreements shall have been satisfied or waived pursuant to the terms thereof, and the consummation of such Asset Sales shall have occurred concurrently with the occurrence of the Effective Date.

C. Waiver of Conditions

The conditions to confirmation of the Plan and to the Effective Date of the Plan set forth in this Article XI may be waived only by consent of the Debtors and the Requisite Consenting Lenders without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

D. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

ARTICLE XII.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Subject to the limitations contained in the Plan and the Restructuring Support Agreement, the Debtors reserve the right to modify the Plan, with the consent of the Requisite Consenting Lenders, and seek confirmation of the Plan consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan and the Restructuring Support Agreement, the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times, with the consent of the Requisite Consenting Lenders, after confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

Subject to the provisions of the Restructuring Support Agreement, the Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if confirmation of the Plan and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims

or Interests; prejudice in any manner the rights of the Debtors or any other Entity, including the Holders of Claims; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

ARTICLE XIII.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims;

2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;

3. Resolve any matters related to: (a) the assumption or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, cure amounts pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Post-Effective Date Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed and assigned or rejected or otherwise; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. Adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. Adjudicate, decide, or resolve any and all matters related to sections 1141 and 1145 of the Bankruptcy Code;

8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement or enforce such releases, injunctions, and other provisions;

13. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.H.1 hereof;

14. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;

16. Adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

17. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. Determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. Hear and determine all disputes involving the Restructuring Support Agreement;

20. Hear and determine all disputes involving the Exit Facility;

21. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. Hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

23. Enforce all orders previously entered by the Bankruptcy Court in the Chapter 11 Cases;

24. Hear any other matter not inconsistent with the Bankruptcy Code;

25. Enter an order closing the Chapter 11 Cases; and

26. Enforce the injunction, release, and exculpation provisions provided in Article X hereof.

ARTICLE XIV.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article XI.A hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Post-Effective Date Debtors, as applicable, and any and all Holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or advisable to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Post-Effective Date Debtors, as applicable, all Holders of Claims and Interests receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Dissolution of the Creditors' Committee

On the Effective Date, the Creditors' Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Creditors' Committee and its Professionals. The Post-Effective Date Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee after the Effective Date.

D. Termination and Discharge of the PCO

On the Effective Date, the PCO shall be discharged from his or her duties as patient care ombudsman in the Chapter 11 Cases. Neither the PCO, nor his or her professionals or advisors, shall have any liability with respect to any act or omission, statement or representation arising out of, related to, or involving in any way, the PCO's evaluations, his or her reports, or any pleadings or other writings filed by the PCO in connection with the Chapter 11 Cases other than acts or omissions involving or arising out of gross negligence or willful misconduct. Prior to issuing or serving upon the PCO or the PCO's professionals or advisors any formal or informal discovery request, including, but not limited to, any subpoena, request for production of documents, requests for admissions, interrogatories, subpoenas *duces tecum*, requests for testimony, interrogatories, or any other discovery of any kind whatsoever in any way related to the Debtors, the Chapter 11 Cases, or the PCO's evaluations and reports (the "Discovery"), any creditor or party in interest in the Chapter 11 Cases must first file an appropriate pleading with the Bankruptcy Court to request permission to initiate the Discovery. The PCO and the PCO's professionals and advisors are authorized to retain, dispose of, or destroy any documents provided by the Debtors or any third parties to the PCO, if any, in the course of his or her evaluation, in accordance with their respective document retention policies or applicable law, if any.

E. Reservation of Rights

Before the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to any Claims or Interests.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents

All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

the Debtors: AAC Holdings, Inc.
200 Powell Place
Brentwood, Tennessee 37027
E-mail: amcwilliams@contactaac.com
Attention: Andrew McWilliams, Chief Executive Officer

with copies to:

Greenberg Traurig, LLP
3333 Piedmont Road NE
Terminus 200, Suite 2500
Atlanta, GA 30305
E-mail: kurzweild@gtlaw.com
franklinae@gtlaw.com
Attention: David Kurzweil
Alison Franklin

After the Effective Date, the Post-Effective Date Debtors shall have the authority to send a notice to parties in interest providing that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such party must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Post-Effective Date Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at https://www.donlinrecano.com/Clients/aac/Index or the Bankruptcy Court's website at https://www.deb.uscourts.gov/.

J. Nonseverability of Plan Provisions

If, before confirmation of the Plan, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the

Debtors' or Post-Effective Date Debtors' consent, as applicable; and (3) nonseverable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Post-Effective Date Debtors will have any liability for the violation of any applicable law (including the Securities Act), rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

L. Waiver and Estoppel.

Each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed before the Confirmation Date.

[*Remainder of page intentionally left blank*]

Respectfully submitted, as of the date set forth above,

AAC HOLDINGS, INC.
on behalf of itself and all other Debtors

By: _____
Name: J. Jette Campbell
Titles: Chief Restructuring Officer and Authorized Person

Exhibit B

Restructuring Support Agreement

Execution Version

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (together with all exhibits, schedules and attachments hereto, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"), dated as of June 19, 2020, is entered into by and among: (i) AAC Holdings, Inc., a Nevada corporation ("AAC"), each of its direct and indirect Subsidiaries (as defined below), (such Subsidiaries, together with AAC, each, a "Debtor" and, collectively, the "Debtors"); (ii) each of the Prepetition Lenders (as defined below) (or nominees, investment managers, advisors or subadvisors for the Prepetition Lenders) identified on the signature pages hereto (such Persons (as defined below) described in this clause (ii), each, an "Initial Consenting Lender" and, collectively, the "Initial Consenting Lenders"); and (iii) each of the other Prepetition Lenders (or nominees, investment managers, advisors or subadvisors for the Prepetition Lenders) that becomes a party to this Agreement after the Restructuring Support Effective Date (as defined below) in accordance with the terms hereof by executing and delivering a Joinder Agreement (as defined below) (such Persons described in this clause (iii), together with the Initial Consenting Lenders, each, a "Consenting Lender" and, collectively, the "Consenting Lenders"). Each of the Debtors and the Consenting Lenders are referred to herein as a "Restructuring Support Party" and, collectively, the "Restructuring Support Parties". Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Restructuring Term Sheet (as defined below).

PRELIMINARY STATEMENTS

WHEREAS, as of the date hereof, the Initial Consenting Lenders collectively own or control, in the aggregate, (a) in excess of 89% of the aggregate principal amount of the outstanding Prepetition Priming Facility Loans (as defined below) and (b) in excess of 60% of the aggregate principal amount of the outstanding Prepetition Syndicated Facility Loans (as defined below);

WHEREAS, the Restructuring Support Parties have agreed to implement a comprehensive restructuring of the Debtors in accordance with, and subject to the terms and conditions set forth in, this Agreement and in the Restructuring Term Sheet attached hereto as Exhibit A (including any schedules, annexes and exhibits attached thereto, each as may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, the "Restructuring Term Sheet") (such restructuring, for the avoidance of doubt, being defined as the "Restructuring" in the Restructuring Term Sheet and more fully described therein);

WHEREAS, this Agreement is the product of arm's-length, good faith negotiations among the Restructuring Support Parties and their respective advisors;

WHEREAS, the Restructuring contemplates the Debtors commencing voluntary, pre-arranged reorganization cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") to effectuate the Restructuring, which will be implemented pursuant to a chapter 11 plan of reorganization consistent in all material respects with the terms

of this Agreement and otherwise in form and substance acceptable to the Requisite Parties (such plan, together with all exhibits, schedules and attachments thereto, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Plan");

WHEREAS, certain of the Initial Consenting Lenders have agreed to provide the DIP Facility (as defined below), subject to the terms and conditions set forth in the DIP Loan Documents (as defined in the DIP Commitment Letter (as defined below)) and this Agreement; and

WHEREAS, the Restructuring Support Parties desire to express to each other their mutual support and commitment in respect of the matters discussed herein.

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Restructuring Support Parties, intending to be legally bound, agrees as follows:

1. Restructuring Term Sheet.

The Restructuring Term Sheet sets forth the material terms and conditions of the Restructuring; provided, however, the Restructuring Term Sheet is supplemented by the terms and conditions of this Agreement. The Restructuring Term Sheet is expressly incorporated herein by reference and made part of this Agreement as if fully set forth herein, and any reference herein to "this Agreement" (except for references to "this Agreement" set forth in (i) the first sentence of this Section 1 and (ii) Section 11) shall be deemed to include the Restructuring Term Sheet.

2. Certain Definitions; Rules of Construction.

As used in this Agreement, the following terms have the following meanings:

(a) "Affiliate" means, with respect to any Person, any other Person controlled by, controlling or under common control with such Person; provided, that, for purposes of this Agreement, none of the Debtors shall be deemed to be Affiliates of any Consenting Lender. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") shall mean possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities, by contract or otherwise). A Related Fund of any Person shall be deemed to be the Affiliate of such Person.

(b) "Alternative Transaction" means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of assets, financing (whether debt or equity), recapitalization or restructuring of any of the Debtors, other than the Restructuring. For the avoidance of doubt, a Sale Transaction as contemplated by the Restructuring Term Sheet is not an Alternative Transaction.

(c) "Bid Deadline" means the deadline by which potential purchasers of (x) all or substantially all of the assets or equity of the Debtors in connection with a Sale Transaction (as defined in the Restructuring Term Sheet) or (y) a portion of the assets of the Debtors in connection with a Partial Sale (as defined in the Restructuring Term Sheet), as applicable, must submit a bid to the Debtors.

(d) "Bidding Procedures" means any bidding procedures governing the Sale Transaction or Partial Sale, including, among other things, the Bid Deadline and the auction deadline (if necessary), which bidding procedures shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(e) "Bidding Procedures Motion" means a motion to be filed by the Debtors with the Bankruptcy Court seeking Bankruptcy Court approval of the Bidding Procedures, which motion shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(f) "Bidding Procedures Order" means an order of the Bankruptcy Court approving the Bidding Procedures, which order shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(g) "Business Day" means any day other than a day which is a Saturday, Sunday or legal holiday on which banks in the City of New York are authorized or obligated by Law to close.

(h) "Claim" has the meaning ascribed to such term in section 101(5) of the Bankruptcy Code.

(i) "Claims and Interests" means, as applicable, the Prepetition Secured Credit Facility Claims, the Other Claims and/or Equity Interests in any of the Debtors.

(j) "Confirmation Order" means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order shall be consistent in all material respects with this Agreement and otherwise in form and substance acceptable to the Requisite Parties.

(k) "Consenting Lenders' Advisors" means, collectively, (i) Stroock & Stroock & Lavan LLP ("Stroock"), as counsel to the Initial Consenting Lenders, (ii) Young Conaway Stargatt & Taylor, LLP, as Delaware counsel to the Initial Consenting Lenders, (iii) FTI Consulting, Inc. as financial advisor to the Initial Consenting Lenders, and (iv) Moelis & Company, as investment banker to the Initial Consenting Lenders.

(l) "DIP Commitment Letter" means the commitment letter attached as Exhibit C hereto (including the DIP Term Sheet attached as an exhibit thereto) with respect to the DIP Facility.

(m) "DIP Credit Agreement" means the credit agreement for the DIP Facility and all related documents, orders, agreements, instruments, schedules or exhibits to be executed and

delivered in connection therewith, each of which shall be materially consistent with this Agreement and otherwise in form and substance acceptable to the Requisite Parties.

(n) "DIP Facility" means the debtor-in-possession financing to be provided to the Debtors in accordance with and subject to the terms and conditions set forth in the DIP Commitment Letter, including all related documents, orders, agreements, instruments, schedules or exhibits to be executed and delivered in connection therewith, each of which shall be in form and substance acceptable to the Requisite Parties and the Required DIP Commitment Parties (as defined in the DIP Commitment Letter).

(o) "DIP Motion" means a motion to be filed by the Debtors with the Bankruptcy Court seeking Bankruptcy Court approval of the DIP Facility, which motion shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(p) "DIP Orders" means, collectively, the Interim DIP Order and the Final DIP Order.

(q) "Disclosure Statement" means the disclosure statement for the Plan that is prepared and distributed in accordance with, among other things, sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Rule 3018 of the Federal Rules of Bankruptcy Procedure and other applicable Law, and all exhibits, schedules, supplements, modifications and amendments thereto, all of which shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(r) "Disclosure Statement Order" means an order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation, which order shall be consistent in all material respects with this Agreement and otherwise in form and substance reasonably acceptable to the Requisite Parties.

(s) "Effective Date" means the date upon which all of the conditions precedent to the effectiveness of the Plan have been satisfied or are expressly waived in accordance with the terms of the Plan.

(t) "Encumbrance" means any charge, covenant, easement, encumbrance, pledge, security interest, mortgage, deed of trust, hypothecation, lien, defect in title, restriction on transfer or other similar restriction or right of any kind or nature, whether voluntarily incurred or imposed by or arising under contract or Law.

(u) "Equity Interests" means, with respect to any Person, (i) any capital stock (including common stock and preferred stock), limited liability company interests, transferable interests, partnership interests or other equity, ownership, beneficial or profits interests of such Person, and (ii) any options, warrants, securities, stock appreciation rights, phantom units, incentives, commitments, calls, redemption rights, repurchase rights or other agreements, arrangements or rights of any kind that are convertible into, exercisable or exchangeable for, or otherwise permit any Person to acquire, any capital stock (including common stock and preferred stock), limited liability company interests, transferable interests, partnership interests or other equity, ownership, beneficial or profits interests of such Person.

(v) "Exchange Act" means the Securities Exchange Act of 1934, as amended and including any rule or regulation promulgated thereunder.

(w) "Exit Facility Documents" means the definitive documents governing the Exit Facilities (as defined in the Restructuring Term Sheet), which shall be in form and substance acceptable to the Requisite Parties.

(x) "Final DIP Order" means a final order of the Bankruptcy Court approving the DIP Motion, which order shall be consistent in all material respects with this Agreement and otherwise in form and substance acceptable to the Requisite Parties.

(y) "Governmental Entity" means any applicable federal, state, local or foreign government or any agency, bureau, board, commission, court or arbitral body, department, political subdivision, regulatory or administrative authority, tribunal or other instrumentality thereof, or any self-regulatory organization.

(z) "Interim DIP Order" means an interim order of the Bankruptcy Court approving the DIP Motion, which order shall be consistent in all material respects with this Agreement and otherwise in form and substance acceptable to the Requisite Parties.

(aa) "Law" means, in any applicable jurisdiction, any applicable statute or law (including common law), ordinance, rule, treaty, code or regulation and any decree, injunction, judgment, order, ruling, assessment, writ or other legal requirement, in any such case, of any applicable Governmental Entity.

(bb) "Material Adverse Effect" means, other than the filing and prosecution of the Chapter 11 Cases and any transaction contemplated by this Agreement or any Restructuring Documents, any event, change, effect, occurrence, development, circumstance, condition, result, state of fact or change of fact (each, an "Event") that, following the Restructuring Support Effective Date, individually or together with all other Events, has had, or would reasonably be expected to have, a material adverse effect on either (i) the business, operations, finances, properties, condition (financial or otherwise), assets or liabilities of the Debtors, taken as a whole or (ii) the ability of the Debtors, taken as a whole, to perform their respective obligations under, or to consummate the transactions contemplated by, this Agreement.

(cc) "Organizational Documents" means, with respect to any Person other than a natural person, the documents by which such Person was organized or formed (such as a certificate of incorporation, certificate of formation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) or which relate to the internal governance of such Person (such as by-laws, a partnership agreement or an operating, limited liability company or members agreement).

(dd) "Other Claims" means any and all Claims against any of the Debtors other than any Prepetition Secured Credit Facility Claims.

(ee) "Person" means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group, a Governmental Entity, or any legal entity or association.

(ff) "Plan Supplement" means the supplement or supplements to the Plan containing certain schedules, documents, forms of documents and/or term sheets relevant to the implementation of the Plan, to be filed with the Bankruptcy Court prior to the hearing held by the Bankruptcy Court to consider confirmation of the Plan, each of which shall contain terms and conditions consistent in all material respects with this Agreement and shall otherwise be in form and substance reasonably acceptable to the Requisite Parties.

(gg) "Prepetition Agents" means the Prepetition Priming Facility Agent and the Prepetition Syndicated Facility Agent.

(hh) "Prepetition Credit Agreements" means, collectively, the Prepetition Priming Credit Agreement and the Prepetition Syndicated Credit Agreement.

(ii) "Prepetition Lenders" means, collectively, the Prepetition Priming Facility Lenders and the Prepetition Syndicated Facility Lenders.

(jj) "Prepetition Priming Credit Agreement" means that certain Credit Agreement, dated as of March 8, 2019, as amended, supplemented or otherwise modified from time to time, among AAC, as borrower, the guarantors party thereto, the lenders party thereto and the Prepetition Priming Facility Agent.

(kk) "Prepetition Priming Facility Agent" means Ankura Trust Company, LLC as successor to Credit Suisse AG, in its capacity as administrative agent and collateral agent under the Prepetition Priming Credit Agreement, together with its successors and permitted assigns in such capacities.

(ll) "Prepetition Priming Facility Lenders" has the meaning given to the term "Lenders" in the Prepetition Priming Credit Agreement.

(mm) "Prepetition Priming Facility Loans" has the meaning given to the term "Loans" in the Prepetition Priming Credit Agreement.

(nn) "Prepetition Priming Loan Documents" has the meaning given to the term "Loan Documents" in the Prepetition Priming Credit Agreement.

(oo) "Prepetition Secured Credit Facility Claims" means any and all Claims against any of the Debtors arising under or in respect of either of the Prepetition Credit Agreements.

(pp) "Prepetition Secured Credit Facility Documents" means, collectively, the Prepetition Priming Loan Documents and the Prepetition Syndicated Loan Documents.

(qq) "Prepetition Secured Loans" means, collectively, the Prepetition Priming Facility Loans and the Prepetition Syndicated Facility Loans.

(rr) "Prepetition Syndicated Credit Agreement" means that certain Credit Agreement, dated as of June 30, 2017, as amended, supplemented or otherwise modified from time to time, among AAC, as borrower, the guarantors party thereto, the lenders party thereto and the Prepetition Syndicated Facility Agent.

(ss) "Prepetition Syndicated Facility Agent" means Ankura Trust Company, LLC as successor to Credit Suisse AG, in its capacity as administrative agent and collateral agent under the Prepetition Syndicated Credit Agreement, together with its successors and permitted assigns in such capacities.

(tt) "Prepetition Syndicated Facility Lenders" has the meaning given to the term "Lenders" in the Prepetition Syndicated Credit Agreement.

(uu) "Prepetition Syndicated Facility Loans" has the meaning given to the term "Loans" in the Prepetition Syndicated Credit Agreement.

(vv) "Prepetition Syndicated Loan Documents" has the meaning given to the term "Loan Documents" in the Prepetition Syndicated Credit Agreement.

(ww) "Proceeding" means any action, claim, complaint, investigation, petition, suit, arbitration, mediation, alternative dispute resolution procedure, hearing, audit, examination, investigation or other proceeding of any nature, whether civil, criminal, administrative or otherwise, in Law or in equity.

(xx) "Qualified Marketmaker" means an entity that: (i) holds itself out to the market as standing ready in the ordinary course of business to purchase from and sell to customers Claims and Interests, or enter with customers into long and/or short positions in Claims and Interests, in its capacity as a dealer or market maker in such Claims and Interests, and (ii) is in fact regularly in the business of making a market in claims, interests and/or securities of issuers or borrowers.

(yy) "Related Fund" means, with respect to any Person, any fund, account or investment vehicle that is controlled or managed by (i) such Person, (ii) an Affiliate of such Person, or (iii) the same investment manager, advisor or subadvisor as such Person or an Affiliate of such investment manager, advisor or subadvisor.

(zz) "Requisite Consenting Lenders" means, as of any date of determination, the Consenting Lenders who own or control as of such date at least (i) a majority of the aggregate principal amount of the Prepetition Priming Facility Loans owned or controlled by all of the Consenting Lenders as of such date and (ii) a majority of the aggregate principal amount of the Prepetition Syndicated Facility Loans owned or controlled by all of the Consenting Lenders as of such date.

(aaa) "Requisite Parties" means the Debtors and the Requisite Consenting Lenders.

(bbb) "Restructuring Documents" means all agreements, instruments, pleadings, orders, forms and other documents (including all exhibits, schedules, supplements, appendices, annexes, instructions and attachments thereto) that are utilized to implement or effectuate this Agreement,

the Plan and/or the Restructuring, including, but not limited to, (i) the Bidding Procedures, the Bidding Procedures Motion and the Bidding Procedures Order, (ii) the Plan and the Plan Supplement, (iii) the Disclosure Statement and any motion seeking the approval thereof and related Solicitation materials, (iv) the Disclosure Statement Order, (v) the Confirmation Order, (vi) any "first day" motions (the "First Day Motions"), (vii) the ballots, the motion to approve the form of the ballots and the Solicitation, and the order of the Bankruptcy Court approving the form of the ballots and the Solicitation, (viii) the DIP Loan Documents and the DIP Orders, (ix) any purchase and sale agreement in connection with a Partial Sale or Sale Transaction, (x) the Organizational Documents of Reorganized AAC (as defined in the Restructuring Term Sheet) in connection with a Reorganization Transaction, (xi) any Exit Facility Documents, if applicable, (xii) the New Warrants (as defined in the Restructuring Term Sheet), and (xiii) any documentation relating to the use of cash collateral, distributions provided to the holders of any Claims and Interests or other related documents, each of which shall contain terms and conditions that are consistent in all material respects with this Agreement and shall otherwise be in form and substance reasonably acceptable to the Requisite Parties, including with respect to any modifications, amendments or supplements of such Restructuring Documents during the Restructuring Support Period; provided that if this Agreement otherwise provides that a Restructuring Document must be acceptable (including reasonably acceptable) to a specified Person or group of Persons (other than the Requisite Parties), then such Restructuring Document need only be acceptable (or reasonably acceptable) to such specified Person or group of Persons and not the Requisite Parties unless otherwise expressly provided for herein.

(ccc) "Restructuring Support Period" means the period commencing on the Restructuring Support Effective Date (or, with respect to any Consenting Lender that becomes a party hereto after the Restructuring Support Effective Date, as of the date such Consenting Lender becomes a party hereto) and ending on the earlier of (i) the Effective Date and (ii) the date on which this Agreement is terminated in accordance with Section 5 hereof.

(ddd) "Solicitation" means the solicitation of votes in connection with the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code and the applicable procedures approved by the Bankruptcy Court and set forth in the Disclosure Statement Order.

(eee) "Subsidiary" means, as of any time of determination and with respect to any specified Person, (i) any corporation more than fifty percent (50%) of the voting or capital stock of which is, as of such time, directly or indirectly owned by such Person, (ii) any limited liability company, partnership, limited partnership, joint venture, association, or other entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof, (iii) any corporation, limited liability company, partnership, limited partnership, joint venture, association, or other entity in which such Person, directly or indirectly, has the power to elect or direct the election of more than fifty percent (50%) of the members of the board of directors, board of managers, managing member, general partner or similar governing body of such entity as of such time, and (iv) solely with respect to AAC, any "Subsidiary" as defined in the Prepetition Secured Credit Facility Documents.

(fff) "Transaction Expenses" means all fees, costs and expenses of each of the Consenting Lenders, including, without limitation, the documented fees, costs and expenses of the Consenting Lenders' Advisors, in each case, (i) in connection with the negotiation,

formulation, preparation, execution, delivery, implementation, consummation and/or enforcement of this Agreement, the Plan, the Disclosure Statement and/or any of the other Restructuring Documents, and/or the transactions contemplated thereby, and/or any amendments, waivers, consents, supplements or other modifications to any of the foregoing and, to the extent applicable, (ii)(A) consistent with any engagement letters or fee reimbursement letters entered into between the Debtors and the Consenting Lenders' Advisors (as supplemented and/or modified by this Agreement), as applicable, or (B) as provided in the DIP Orders.

Unless otherwise specified, references in this Agreement to any Section, subsection, clause, subclause or paragraph refer to such Section, subsection, clause, subclause or paragraph as contained in this Agreement. The words "herein," "hereof" and "hereunder" and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section, subsection, clause, subclause or paragraph contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation".

3. Agreements of the Consenting Lenders.

(a) Support of Restructuring. Each of the Consenting Lenders hereby agrees severally (and not jointly) that, for the duration of the Restructuring Support Period, unless otherwise required or prohibited by Law, such Consenting Lender shall:

(i) support the Restructuring as contemplated by this Agreement; provided that no Consenting Lender shall be obligated to waive (to the extent waivable by such Consenting Lender) any condition to the consummation of any part of the Restructuring set forth in any Restructuring Document;

(ii) take all reasonable actions necessary to facilitate the implementation and consummation of the Restructuring, including consenting to the relief sought in the DIP Motion (including the granting of a first priority priming lien on the DIP Collateral (as defined in the DIP Commitment Letter) pursuant to the terms of the DIP Commitment Letter and consent to the use of cash collateral), DIP Orders, Bidding Procedures, Bidding Procedures Motion, and the Bidding Procedures Order in accordance with the terms and conditions of this Agreement, and not withdraw or revoke such consent;

(iii) (A) subject to the receipt of the Disclosure Statement approved by the Disclosure Statement Order, timely vote, or cause to be voted, all of the Claims and Interests held by such Consenting Lender at the voting record date provided for in the Disclosure Statement Order by timely delivering its duly executed and completed ballot(s) accepting the Plan following commencement of the Solicitation, and (B) not change, withdraw or revoke such vote (or cause or direct such vote to be changed, withdrawn or revoked); provided, however, that such vote may be revoked (and, upon such revocation, deemed void *ab initio*) by such Consenting Lender at any time following the expiration or termination of the Restructuring Support Period with respect to such Consenting Lender (it being understood that any termination of the Restructuring Support Period with respect to a Consenting Lender shall entitle such

Consenting Lender to change its vote in accordance with section 1127(d) of the Bankruptcy Code, and the Solicitation materials with respect to the Plan shall be consistent with this proviso);

(iv) not, directly or indirectly,

(A) seek, solicit, support, encourage, propose, assist, consent to, vote for, or enter or participate in any discussions, negotiations, agreements, understandings or other arrangements with any Person regarding, any Alternative Transaction;

(B) support or encourage the termination or modification of any Debtor's exclusive period for the filing of a plan of reorganization, or any Debtor's exclusive period to solicit a plan of reorganization;

(C) seek to convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, seek to dismiss any of the Chapter 11 Cases or request the appointment of a trustee or examiner in any Chapter 11 Case;

(D) oppose or object to, or support any other Person's efforts to oppose or object to, the approval of the First Day Motions, the DIP Motion (including the use of cash collateral and priming of the Prepetition Secured Credit Facility Claims (or other Claims and Interests) by the DIP Facility), the Bidding Procedures, the Disclosure Statement, the Plan and any other motions filed by any of the Debtors in furtherance of the Restructuring that are consistent in all material respects with this Agreement or which are otherwise reasonably acceptable to the Requisite Parties; or

(E) take any other action that is materially inconsistent with this Agreement or any of the other Restructuring Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring in a material manner (including the Bankruptcy Court's approval of the Restructuring Documents, the Solicitation, confirmation of the Plan, or consummation of the Restructuring pursuant to the Plan), including, (I) initiating any Proceeding or taking any other action to oppose the execution or delivery of any of the Restructuring Documents, the performance of any obligations of any party to any of the Restructuring Documents or the consummation of the transactions contemplated by any of the Restructuring Documents, (II) initiating any Proceeding or taking any other action to amend, supplement or otherwise modify any of the Restructuring Documents, which amendment, modification or supplement is not consistent in all material respects with this Agreement or otherwise reasonably acceptable to the Requisite Parties, or (III) initiating any Proceeding or taking any other action, or exercising or seeking to exercise any rights or remedies as a holder of Claims and Interests that is barred by or is otherwise materially inconsistent with this Agreement or any of the other Restructuring Documents.

(v) negotiate in good faith the terms and conditions of, execute, perform its obligations under, and consummate the transactions contemplated by, the Restructuring Documents to which it is (or will be) a party; provided, however, that no Consenting Lender shall be obligated to waive (to the extent waivable by such Consenting Lender) any condition to the consummation of any part of the Restructuring set forth in any Restructuring Document;

(vi) timely vote or cause to be voted its Claims and Interests against any Alternative Transaction; and

(vii) if any holder of Prepetition Secured Loans has requested the applicable Prepetition Agent to exercise rights or remedies under or with respect to either of the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents, or if either of the Prepetition Agents announces that it intends to exercise, or exercises, rights or remedies under or with respect to either of the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents, in any such case in a manner materially inconsistent with the Restructuring, direct the applicable Prepetition Agent not to exercise any rights or remedies, or assert or bring any claims, under or with respect to either of the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents; provided, however, that nothing in this clause (vii) shall require the Consenting Lenders to waive any Default (as defined in the Prepetition Credit Agreements) or Event of Default (as defined in the Prepetition Credit Agreements) or any of the Obligations (as defined in the Prepetition Credit Agreements) or release or terminate any of the Encumbrances on any of the Collateral (as defined in the Prepetition Credit Agreements).

Notwithstanding anything in this Agreement to the contrary, (x) no Consenting Lender shall be required to incur, assume, become liable in respect of or suffer to exist any expenses, liabilities or other obligations, or agree to or become bound by any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses, liabilities or other obligations to such Consenting Lender, (y) no Consenting Lender shall be construed as providing any commitment or obligation to advance any funds to, or purchase any securities of, any of the Debtors (except in the case of a Consenting Lender that is also a DIP Lender, such DIP Lender's DIP Commitments (as defined in the DIP Commitment Letter) (subject to the DIP Loan Documents (as defined in the DIP Commitment Letter)), and (z) nothing in this Agreement shall limit any of the rights or remedies of the DIP Agent or any of the DIP Lenders under or with respect to any of the DIP Loan Documents or any of the DIP Orders.

(b) Rights of Consenting Lenders Unaffected. Nothing contained herein shall: (i) limit (A) the rights of a Consenting Lender under any applicable bankruptcy, insolvency, foreclosure or similar Proceeding, including appearing as a party in interest in any matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases, in each case, so long as the exercise of any such right is not materially inconsistent with such Consenting Lender's obligations hereunder, (B) the ability of a Consenting Lender to purchase, sell or enter into any transactions regarding the Claims and Interests, subject to the terms hereof, (C) except as set forth in this Agreement, any right or remedy of any Consenting Lender under, as applicable, (x) the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents and (y) any other applicable agreement, instrument or document that gives rise to a Consenting Lender's Claims and Interests, (D) the ability of a Consenting Lender to

consult with any of the other Restructuring Support Parties, holders of Prepetition Secured Loans or any other party in interest regarding the Restructuring, (E) the rights of any Consenting Lender to engage in any discussions, enter into any agreements or take any other action regarding matters to be effectuated after the expiration or termination of the Restructuring Support Period, or (F) the ability of a Consenting Lender to enforce any right, remedy, condition, consent or approval requirement under this Agreement or any of the other Restructuring Documents; (ii) constitute a waiver or amendment of any term or provision of (x) the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents or (y) any other agreement, instrument or document that gives rise to a Consenting Lender's Claims and Interests; (iii) constitute a waiver of any Default or Event of Default; or (iv) constitute a termination or release of any Encumbrances on the Collateral.

(c) Transfers. Each Consenting Lender agrees severally (and not jointly) that, for the duration of the Restructuring Support Period, such Consenting Lender shall not, directly or indirectly, sell, transfer, loan, issue, pledge, hypothecate, assign, grant, or otherwise dispose of (including by participation) (collectively, "Transfer"), in whole or in part, any of its Claims and Interests, or any option thereon or any right or interest therein (including granting any proxies with respect to any Claims and Interests, depositing any Claims and Interests into a voting trust or entering into a voting agreement with respect to any Claims and Interests), unless the transferee of such Claims and Interests (the "Transferee") either (i) is a Consenting Lender at the time of such Transfer or (ii) prior to the effectiveness of such Transfer, agrees in writing, for the benefit of the Restructuring Support Parties, to become a Restructuring Support Party hereunder as a Consenting Lender and to be bound by all of the terms and conditions of this Agreement applicable to a Consenting Lender (including with respect to any and all Claims and Interests it already may own or control prior to such Transfer), by executing a joinder agreement, substantially in the form attached hereto as Exhibit B (the "Joinder Agreement"), and by delivering an executed copy thereof to (A) counsel to the Debtors and (B) Stroock (at the address set forth in Section 21 hereof), as counsel to the Initial Consenting Lenders, in which event (x) the Transferee shall be deemed to be a Consenting Lender hereunder to the extent of such transferred Claims and Interests (and all Claims and Interests it already may own or control prior to such Transfer) and (y) the transferor Consenting Lender shall be deemed to relinquish its rights, and be released from its obligations, under this Agreement solely to the extent of such transferred Claims and Interests; provided, however, that such Transfer shall not release any Consenting Lender that is also a DIP Lender from its commitments under, and subject to, the DIP Loan Documents. Notwithstanding the foregoing, the restrictions on Transfer set forth in this Section 3(c) shall not apply to the grant of any Encumbrances on any Claims and Interests in favor of a bank or broker-dealer holding custody of such Claims and Interests in the ordinary course of business and which Encumbrance is released upon the Transfer of such Claims and Interests. Each Consenting Lender agrees severally (and not jointly) that any Transfer of any Claims and Interests that does not comply with the terms and procedures set forth herein shall be deemed void *ab initio*, and each of the Debtors and each other Consenting Lender shall have the right to enforce the voiding of such Transfer.

(d) Qualified Market Maker. Notwithstanding anything herein to the contrary: (i) any Consenting Lender may Transfer any of its Claims and Interests to an entity that is acting in its capacity as a Qualified Marketmaker without the requirement that the Qualified Marketmaker be or become a Consenting Lender; provided, however, that the Qualified Marketmaker

subsequently Transfers all rights, title and interest in such Claims and Interests to a Transferee that is or becomes a Consenting Lender as provided above, and the Transfer documentation between the transferor Consenting Lender and such Qualified Marketmaker shall contain a requirement that provides as such; and (ii) to the extent any Consenting Lender is acting in its capacity as a Qualified Marketmaker, it may Transfer any Claims and Interests that it acquires from a holder of such Claims and Interests that is not a Consenting Lender without the requirement that the Transferee be or become a Consenting Lender. Notwithstanding the foregoing, if, at the time of the proposed Transfer of any Claims and Interests to a Qualified Marketmaker, such Claims and Interests (x) may be voted on the Plan or any Alternative Transaction, the proposed transferor Consenting Lender must first vote such Claims and Interests in accordance with the requirements of Section 3(a) hereof, (y) may be used to direct the applicable Prepetition Agent in accordance with the terms of the Restructuring, the proposed transferor Consenting Lender must first direct the applicable Prepetition Agent in accordance with the requirements of Section 3(a) hereof, or (z) have not yet been and may not yet be voted on the Plan or any Alternative Transaction and such Qualified Marketmaker does not Transfer such Claims and Interests to a subsequent Transferee prior to the fifth (5th) Business Day prior to the expiration of the voting deadline (such date, the "Qualified Marketmaker Joinder Date"), such Qualified Marketmaker shall be required to (and the Transfer documentation between the transferor Consenting Lender and such Qualified Marketmaker shall have provided that the Qualified Marketmaker shall), on the first (1st) Business Day immediately following the Qualified Marketmaker Joinder Date, become a Consenting Lender with respect to such Claims and Interests in accordance with the terms hereof and vote such Claims and Interests in accordance with the requirements of Section 3(a) hereof (provided, that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Consenting Lender with respect to such Claims and Interests at such time that a subsequent Transferee of such Claims and Interests becomes a Consenting Lender with respect to such Claims and Interests).

(e) Additional Claims and Interests. This Agreement shall in no way be construed to preclude any Consenting Lender or any of its Affiliates from acquiring additional Claims and Interests following such Consenting Lender's execution of this Agreement. If any Consenting Lender acquires additional Claims and Interests, such Consenting Lender agrees severally (and not jointly) that any such additional Claims and Interests shall automatically and immediately be deemed subject to this Agreement, including the obligations with respect to Claims and Interests set forth in Section 3(a) hereof, and such Consenting Lender shall promptly provide notice to Stroock, as counsel to the Initial Consenting Lenders, of the acquisition of any Claims or Interests.

(f) Authorization of Prepetition Agents to Consent to Priming. Each Consenting Lender, severally (and not jointly): (i) consents to the priming of the Liens (as such term is defined in the Prepetition Credit Agreements) granted to the Prepetition Lenders pursuant to the Prepetition Priming Loan Documents by the DIP Facility (as to be provided in the DIP Orders), and such Consenting Lender has no objection to the adequate protection thereof as to be provided in the DIP Orders; (ii) authorizes and directs the Prepetition Priming Facility Agent, on behalf of the Prepetition Priming Facility Lenders, and the Prepetition Syndicated Facility Agent, on behalf of the Prepetition Syndicated Facility Lenders, to consent to the priming of the Liens by the DIP Facility (as to be provided in the DIP Orders); and (iii) acknowledges that, so long as

it is acting pursuant to and consistent with the authority and direction in the foregoing sub-clause (ii), the Prepetition Agents shall be deemed to be acting at the direction of and with the consent of the "Required Lenders" pursuant to the Prepetition Priming Loan Documents with respect to such action. The parties hereto acknowledge and agree that Ankura Trust Company, LLC is an express beneficiary of the above provisions of this Section 3(f).

4. Agreements of the Debtors.

(a) Affirmative Covenants. Each of the Debtors, jointly and severally, agrees that, for the duration of the Restructuring Support Period, the Debtors shall:

(i) support the Restructuring as contemplated by this Agreement;

(ii) take all actions necessary, or reasonably requested by the Requisite Consenting Lenders, to implement and consummate the Restructuring (including the Bankruptcy Court's approval of the Restructuring Documents, the Solicitation, confirmation of the Plan or consummation of the Restructuring pursuant to the Plan) by the applicable Milestones;

(iii) (A) complete the preparation of each of the Restructuring Documents (including all motions, applications, orders, agreements and other documents) within the time periods proscribed by this Agreement, (B) provide each of the Material Restructuring Documents to Stroock, and afford reasonable opportunity for comment and review of each of the Material Restructuring Documents by, the Consenting Lender Advisors and the Requisite Consenting Lenders, no less than five (5) Business Days in advance of any filing or execution thereof; provided that if and to the extent, due to exigent circumstances, the Debtors have a need to file or execute a document on an expedited basis and is therefore unable to provide a draft at least five (5) Business Days prior to the date it intends to file such document, the Debtors may provide such draft no less than two (2) Business Days prior to the date it intends to file or execute such document; (C) consult in good faith with the Consenting Lenders' Advisors regarding the form and substance of each of the Material Restructuring Documents in advance of the filing or execution thereof, and (D) negotiate in good faith, execute, perform its obligations under, and consummate the transactions contemplated by, the Restructuring Documents to which it is (or will be) a party; provided, however, that the obligations under this Section 4(a)(iii) shall in no way alter or diminish any right expressly provided to the Consenting Lenders under this Agreement to review, comment on, and/or consent to the form and/or substance of any document; for purposes of this section 4(a)(iii), "Material Restructuring Documents" shall mean the following Restructuring Documents (and all exhibits, schedules, supplements, appendices, annexes, instructions and attachments thereto): (i) the Bidding Procedures, the Bidding Procedures Motion and the Bidding Procedures Order, (ii) the Plan and the Plan Supplement, (iii) the Disclosure Statement and any motion seeking the approval thereof and related Solicitation materials, (iv) the Disclosure Statement Order, (v) the Confirmation Order, (vi) any First Day Motions, (vii) the ballots, the motion to approve the form of the ballots and the Solicitation, and the order of the Bankruptcy Court approving the form of the ballots and the Solicitation, (viii) the DIP Loan Documents and the DIP Orders, (ix) any purchase and sale agreement in connection with a Partial Sale or Sale Transaction, (x) the Organizational Documents of Reorganized AAC in connection with a Reorganization Transaction, (xi) any Exit Facility Documents, if applicable, (xii) the New Warrants, (xiii) any documentation relating to the use of

cash collateral, distributions provided to the holders of any Claims and Interests or other related documents, and (xiv) any other material documents necessary to effectuate this Agreement, the Plan and/or the Restructuring.

(iv) subject to any applicable Milestones or other time constraints imposed by this Agreement, any other Restructuring Documents, or order of the Bankruptcy Court, conduct a comprehensive and competitive post-petition marketing process in order to determine the highest and/or best offer for the potential Sale Transaction in a commercially reasonable manner consistent with this Agreement;

(v) unless otherwise required by the Bankruptcy Court, cause the amount of the Claims and Interests held by the Consenting Lenders as set forth on the signature pages attached to this Agreement (or, with respect to any Consenting Lender that becomes a party hereto after the date hereof, to any Joinder Agreement) to be redacted to the extent this Agreement is (A) filed on the docket maintained in the Chapter 11 Cases or (B) otherwise made publicly available; provided, that if such disclosure is required, then the Debtors shall afford the relevant Consenting Lender a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure;

(vi) comply with each of the following milestones (the "Milestones"), which Milestones may be extended or waived (but with no obligation to extend or waive) only with the express prior written consent of the Requisite Consenting Lenders, which consent may be delivered by electronic mail ("e-mail") by counsel to the Requisite Consenting Lenders to counsel to the Debtors:

(A) commence the Chapter 11 Cases in the Bankruptcy Court with respect to each of the Debtors and file the DIP Motion and First Day Motions no later than June 21, 2020 (the date of commencement of the Chapter 11 Cases, the "Petition Date");

(B) obtain entry of the Interim DIP Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than five (5) calendar days after the Petition Date);

(C) file the Bidding Procedures Motion with the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than fifteen (15) calendar days after the Petition Date);

(D) file the Disclosure Statement, the motion for approval of the Disclosure Statement, the form of ballots, and the Solicitation procedures, and the Plan with the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than thirty-five (35) calendar days after the Petition Date);

(E) obtain entry of the Final DIP Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than thirty-five (35) calendar days after the Petition Date);

(F) obtain entry of the Bidding Procedures Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than forty (40) calendar days after the Petition Date);

(G) obtain entry of the Disclosure Statement Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than sixty-five (65) calendar days after the Petition Date);

(H) obtain entry of the Confirmation Order by the Bankruptcy Court as soon as reasonably practicable after the Petition Date (but in no event later than one hundred ten (110) calendar days after the Petition Date); and

(I) cause the Effective Date to occur as soon as reasonably practicable after the Petition Date (but in no event later than one hundred twenty-five (125) calendar days after the Petition Date (the "Outside Date");

(vii) timely file a formal objection to any motion filed with the Bankruptcy Court by any Person seeking the entry of an order (A) directing the appointment of an examiner with expanded powers or a trustee, (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (C) dismissing the Chapter 11 Cases, (D) for relief that (x) is inconsistent with this Agreement or (y) would, or would reasonably be expected to, frustrate the purposes of this Agreement, including by preventing the consummation of the Restructuring;

(viii) timely file a formal objection to any motion filed with the Bankruptcy Court by any Person seeking the entry of an order modifying or terminating any Debtor's exclusive right to file and/or solicit acceptances of a plan of reorganization;

(ix) timely file a formal written response in opposition to any objection filed with the Bankruptcy Court by any Person with respect to the DIP Facility (or motion filed by such Person that seeks to interfere with the DIP Facility) or any of the adequate protection granted to the Prepetition Agents or the Prepetition Lenders pursuant to the DIP Orders or otherwise;

(x) promptly notify Stroock, as counsel to the Initial Consenting Lenders, in writing (and in any event within three (3) Business Days after obtaining knowledge thereof) of (A) receipt of written notice of any pending, existing, instituted or threatened direct or derivative Proceeding by (1) any Person (other than a Governmental Entity) involving any of the Debtors or any of their respective current or former officers, employees or directors (in their capacities as such) that is material to the Debtors, (2) any Governmental Entity involving any of the Debtors or any of their respective current or former officers, employees or directors (in their capacities as such), except (in any such case) to the extent any of the same are disclosed on the docket maintained in the Chapter 11 Cases, that is material to the Debtors; (B) any breach by any of the Debtors in any respect of any of its obligations, representations, warranties or covenants set forth in this Agreement; (C) any Material Adverse Effect; (D) the happening or existence of any Event that shall have made any of the conditions precedent to any Restructuring Support Party's obligations set forth in (or to be set forth in) any of the Restructuring Documents incapable of being satisfied prior to the Outside Date; (E) the occurrence of a Termination Event (as defined

below); and (F) the receipt of written notice from any Governmental Entity or other Person alleging that the consent of such Person is or may be required under any Organizational Document, contract, Law or otherwise in connection with the consummation of any part of the Restructuring;

(xi) (A) use commercially reasonable efforts to keep the Consenting Lenders reasonably informed about the operations of the Debtors and its direct and indirect subsidiaries, and, subject to applicable non-disclosure agreements and the terms thereof and any applicable Laws governing disclosure of protected patient information, use commercially reasonable efforts to provide the Consenting Lenders any reasonable information reasonably requested regarding the Debtors or any of its direct and indirect subsidiaries; and (B) provide Moelis and FTI, as advisors to the Initial Consenting Lenders, with (1) reasonable access during normal business hours to each Debtor's books, records and facilities, (2) reasonable access to the management and advisors of each Debtor for the purposes of evaluating the Debtors' assets, liabilities, operations, businesses, finances, strategies, prospects and affairs, (3) reasonable access to such information as reasonably necessary to evaluate each Debtor's executory contracts and unexpired leases, and all ongoing discussions and negotiations related thereto, and (4) updates regarding any material developments regarding each Debtor's assets, liabilities, operations, businesses, finances, strategies, prospects and affairs;

(xii) maintain the good standing and legal existence of each Debtor under the Laws of the state in which it is incorporated, organized or formed, except to the extent that any failure to maintain such Debtor's good standing arises solely as a result of the filing of the Chapter 11 Cases;

(xiii) if any Debtor receives an unsolicited written offer or proposal with respect to an Alternative Transaction, within two (2) Business Day after the receipt of such offer or proposal, notify Stroock, as counsel to the Initial Consenting Lenders, of the receipt thereof, with such notice to include the material terms thereof (including the identity of the Person(s) involved); and

(xiv) timely obtain, file, submit or register any and all required Governmental Entity and/or third party approvals, filings, registrations or notices that are necessary or advisable for the implementation or consummation of any part of the Restructuring or the approval by the Bankruptcy Court of the Restructuring Documents.

(b) Negative Covenants. The Debtors, jointly and severally, agree that, for the duration of the Restructuring Support Period, unless otherwise consented to in writing by the Requisite Consenting Lenders, the Debtors shall not, directly or indirectly, do or permit to occur any of the following:

(i) seek, solicit, support, encourage, propose, assist, consent to, vote for, enter or participate in any discussions, negotiations, agreements, understandings or other arrangements with any Person regarding, pursue or consummate, any Alternative Transaction;

(ii) announce publicly, or announce to any of the Restructuring Support Parties or other holders of Claims and Interests, its intention not to support the Restructuring;

(iii) take any action that is materially inconsistent with this Agreement or any of the other Restructuring Documents, or that would, or would reasonably be expected to, prevent, interfere with, delay or impede the implementation, solicitation, confirmation, or consummation of the Restructuring in a material manner (including the Bankruptcy Court's approval of the Restructuring Documents, the Solicitation, the confirmation of the Plan or the consummation of the Plan), including (A) initiating any Proceeding or taking any other action to oppose the execution or delivery of any of the Restructuring Documents, the performance of any obligations of any party to any of the Restructuring Documents or the consummation of the transactions contemplated by any of the Restructuring Documents, (B) initiating any Proceeding or taking any other action to amend, supplement or otherwise modify any of the Restructuring Documents, which amendment, modification or supplement is not consistent in all material respects with this Agreement or otherwise reasonably acceptable to the Requisite Parties, or (C) initiating any Proceeding or taking any other action that is barred by or is otherwise inconsistent with this Agreement or any of the other Restructuring Documents;

(iv) execute, deliver and/or file any Restructuring Document (including any amendment, supplement or modification of, or any waiver to, any Restructuring Document) that, in whole or in part, is not consistent in all material respects with this Agreement or is not otherwise reasonably acceptable to the Requisite Parties, or file any pleading seeking authorization to accomplish or effectuate any of the foregoing;

(v) move for an order from the Bankruptcy Court authorizing or directing the assumption or rejection of any executory contract (including any employment agreement or employee benefit plan) or unexpired lease, other than any assumption or rejection that (A) is done with the advance written consent of the Requisite Consenting Lenders, or (B) in the event the Elected Transaction is a Sale Transaction, is expressly contemplated in connection with the Sale Transaction;

(vi) (A) seek discovery in connection with, prepare or commence any Proceeding or other action that challenges (x) the amount, validity, allowance, character, enforceability or priority of any Claims and Interests of any of the Consenting Lenders, or (y) the validity, enforceability or perfection of any lien or other Encumbrance securing any Claims and Interests of any of the Consenting Lenders, (B) otherwise seek to restrict any rights of any of the Consenting Lenders, or (C) support any Person in connection with any of the acts described in clause (A) or clause (B) of this Section 4(b)(vi);

(vii) enter into any commitment or agreement with respect to debtor-in-possession financing, cash collateral usage, exit financing, and/or other financing arrangements, other than the DIP Facility or as otherwise expressly described in the Restructuring Term Sheet;

(viii) grant or agree to grant (including pursuant to a key employee retention or incentive plan or other similar agreement) any additional or any increase in the wages, salary, bonus, commissions, retirement benefits, pension, severance or other compensation or benefits (including in the form of any vested or unvested Equity Interests of any other kind or nature) of any director, manager, officer or employee of, or any consultant or advisor that is retained or engaged by, any of the Debtors, other than (a) as expressly contemplated by the Restructuring

Term Sheet, (b) done in the ordinary course of business consistent with past practices or (c) as otherwise agreed to by the Requisite Consenting Lenders;

(ix) enter into, adopt or establish any new compensation or benefit plans or arrangements (including employment agreements and any retention, success or other bonus plans), or amend any existing compensation or benefit plans or arrangements (including employment agreements) other than (a) as expressly contemplated by the Restructuring Term Sheet, (b) done in the ordinary course of business consistent with past practices, or (c) as otherwise agreed to by the Requisite Consenting Lenders;

(x) amend or propose to amend any of its Organizational Documents to the extent such amendments are material to the Debtors;

(xi) authorize, create or issue any additional Equity Interests in any of the Debtors, or redeem, purchase, acquire, declare any distribution on or make any distribution on any Equity Interests in any of the Debtors;

(xii) incur any Encumbrance, other than as expressly contemplated by this Agreement or the Plan;

(xiii) pay, or agree to pay, any indebtedness, liabilities or other obligations (including any accounts payable or trade payable) that existed prior to the Petition Date or that arose from any matter, occurrence, action, omission or circumstance that occurred prior to the Petition Date, unless the Bankruptcy Court authorizes the Debtors to pay such indebtedness, liabilities or other obligations (including any accounts payable or trade payable) pursuant to the relief granted in connection with the First Day Motions (each of which, for the avoidance of doubt, shall contain terms and conditions that shall be in form and substance acceptable to the Requisite Consenting Lenders); and

(xiv) settle, agree to settle or compromise any material Proceeding described in clause (A) of Section 4(a)(x) (without giving effect to the exception set forth at the end of such clause (A)) without the prior written consent of the Requisite Consenting Lenders.

5. Termination of Agreement.

(a) Consenting Lender Termination Events. The Requisite Consenting Lenders may terminate this Agreement, and such termination shall be effective immediately upon written notice (a "Consenting Lender Termination Notice") being delivered by the Requisite Consenting Lenders (or their counsel) to the Debtors in accordance with Section 21 hereof, at any time after the occurrence, and during the continuation, of any of the following events (each, a "Consenting Lender Termination Event"), unless waived in writing by the Requisite Consenting Lenders:

(i) the breach in any material respect (without giving effect to any "materiality" qualifiers set forth therein) by any Debtor of any of its covenants, undertakings, obligations, representations or warranties contained in this Agreement, and, to the extent such breach is curable, such breach remains uncured for a period of five (5) Business Days (it being understood and agreed that the failure by the Debtors to comply with any of the Milestones set forth in Section 4(a)(vi) by the deadlines set forth therein shall not be subject to cure);

(ii) any Debtor obtains debtor-in-possession financing other than the DIP Facility or incurs any Encumbrance, other than as expressly contemplated by the DIP Facility, this Agreement or the Plan;

(iii) the occurrence of (A) an "Event of Default" under the DIP Credit Agreement or the occurrence of a termination event (or similar event) under either of the DIP Orders or (B) an acceleration of the obligations or termination of commitments under the DIP Credit Agreement;

(iv) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order making illegal, enjoining, or otherwise preventing or prohibiting the consummation of the Restructuring, unless such ruling, judgment or order has been stayed, reversed or vacated within five (5) Business Days after the date of such issuance;

(v) the Debtors, after receipt of an Election Notice (as defined below), fail to pursue consummation of the Elected Transaction (as defined below) or pursue consummation of a transaction other than the Elected Transaction;

(vi) the occurrence of a Material Adverse Effect;

(vii) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to assets of any of the Debtors to the extent such assets have a fair market value in excess of $250,000 in the aggregate;

(viii) the Bankruptcy Court grants relief that (A) is materially inconsistent with this Agreement or (B) would prevent the consummation of the Restructuring;

(ix) after entry by the Bankruptcy Court of either DIP Order, any Bidding Procedures Order, the Disclosure Statement Order, or the Confirmation Order, any such order is reversed, stayed, dismissed, vacated, modified or amended (or a motion to reconsider any such orders is granted) without the written consent of the Requisite Consenting Lenders;

(x) the Bankruptcy Court enters an order modifying or terminating any Debtor's exclusive right to file and/or solicit acceptances of a plan of reorganization;

(xi) the Bankruptcy Court enters an order authorizing or directing the assumption, assumption and assignment, or rejection of an executory contract (including any employment agreement, severance agreement or other employee benefit plan) or unexpired lease, other than any assumption or rejection that (A) is approved in advance by the Requisite Consenting Lenders or (B) in the event the Elected Transaction is a Sale Transaction, is expressly contemplated in connection with a Sale Transaction;

(xii) any Debtor (A) withdraws the Plan, (B) publicly announces, or announces to any of the Restructuring Support Parties or other holders of Claims and Interests, its intention to withdraw the Plan or not support the Plan, (C) publicly announces, or announces to any of the Restructuring Support Parties or other holders of Claims and Interests, its intention to support or

pursue an Alternative Transaction or not support the Restructuring, (D) moves to voluntarily dismiss any of the Chapter 11 Cases, without the written consent of the Requisite Consenting Lenders, (E) moves for conversion of any of the Chapter 11 Cases to cases under chapter 7 under the Bankruptcy Code, without the written consent of the Requisite Consenting Lenders, (F) moves for court authority to sell any material asset or assets without the written consent of the Requisite Consenting Lenders, or (G) moves for the appointment of an examiner with expanded powers or a chapter 11 trustee;

(xiii) (A) any of the Debtors delivers and/or files any agreement, instrument, pleading, order, form and other document that is utilized to implement or effectuate, or that otherwise relates to, this Agreement, the Plan and/or the Restructuring that, in any such case, is not consistent in all material respects with this Agreement or otherwise reasonably acceptable to the Requisite Consenting Lenders, or (B) the waiver, amendment or modification of any of the Restructuring Documents, or the filing by any Debtor, of a pleading seeking to waive, amend or modify any term or condition of any of the Restructuring Documents, which waiver, amendment, modification or filing contains any provision that is not consistent in all material respects with this Agreement or otherwise reasonably acceptable to the Requisite Consenting Lenders;

(xiv) the Bankruptcy Court enters an order invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the Prepetition Secured Credit Facility Claims or any of the Encumbrances that secure (or purport to secure) the Prepetition Secured Credit Facility Claims or any Debtor seeks (including with respect to discovery) any of the foregoing or supports any Person with respect to the foregoing;

(xv) the Bankruptcy Court enters an order denying confirmation of the Plan; or

(xvi) the Bankruptcy Court enters an order (A) directing the appointment of an examiner with expanded powers or a chapter 11 trustee, (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) dismissing any of the Chapter 11 Cases.

(b) Debtor Termination Events. The Debtors may terminate this Agreement and such termination shall be effective immediately upon written notice (a "Debtor Termination Notice" and, together with a Consenting Lender Termination Notice, a "Termination Notice") delivered to each of the Consenting Lenders in accordance with Section 21 hereof, at any time after the occurrence, and during the continuation, of any of the following events (each, a "Debtor Termination Event" and, together with each Consenting Lender Termination Event, each, a "Termination Event" and, collectively, the "Termination Events"), unless waived in writing by the Debtors:

(i) the breach in any material respect (without giving effect to any "materiality" qualifiers set forth therein) by one or more of the Consenting Lenders of any of their respective covenants, undertakings, obligations, representations or warranties contained in this Agreement, such that the non-breaching Consenting Lenders own or control less than (i) 2/3 in aggregate principal amount of the Prepetition Priming Facility Loans or (ii) the lesser of (x) 2/3 in aggregate principal amount of the Prepetition Syndicated Facility Loans and (y) the aggregate principal amount of the Prepetition Syndicated Facility Loans held by the Initial

Consenting Lenders as of the Restructuring Support Effective Date and, in each case, to the extent such breach is curable, such breach remains uncured for a period of five (5) Business Days;

(ii) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order making illegal, enjoining, or otherwise preventing or prohibiting the consummation of the Restructuring, unless, in each case, such ruling, judgment or order has been issued at the request of one or more Debtors, or, in all other circumstances, such ruling, judgment or order has been stayed, reversed or vacated within five (5) Business Days after such issuance; or

(iii) the special restructuring committee of the board of directors of AAC determines in good faith, and after consultation with counsel, that the Restructuring is not in the best interests of the Debtors' estates and continued support for the Restructuring would be inconsistent with the exercise of its fiduciary duties under applicable Law; provided, however, that in the event the Debtors desire to terminate this Agreement pursuant to this Section 5(b)(iii) (such right to terminate this Agreement pursuant to this Section 5(b)(iii), the "Fiduciary Out"), the Debtors shall provide at least five (5) Business Days' advance written notice to Stroock, as counsel to the Initial Consenting Lenders, prior to the date the Debtors elect to terminate this Agreement pursuant to the Fiduciary Out (such five (5) Business Day period, the "Termination Period") advising Stroock, as counsel to the Initial Consenting Lenders, that the Debtors intend to terminate this Agreement pursuant to the Fiduciary Out and specifying, in reasonable detail, the reasons therefor (including the material facts and circumstances related thereto and, to the extent applicable, the terms, conditions and provisions of any Alternative Transaction that the Debtors may pursue), and during the Termination Period, the Debtors shall cause their advisors to use good faith efforts to discuss with the Consenting Lenders the need for the Debtors to exercise the Fiduciary Out.

(c) Mutual Termination. This Agreement may be terminated by mutual written agreement among the Requisite Parties. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the Effective Date.

(d) Effect of Termination. Upon the termination of this Agreement in accordance with this Section 5, and except as provided in Section 15 hereof, this Agreement shall forthwith become void and of no further force or effect, and each Restructuring Support Party shall, except as otherwise expressly provided in this Agreement, be immediately released from its liabilities, obligations, commitments, undertakings and agreements under or related to this Agreement, have no further rights, benefits or privileges hereunder, and shall have all the rights and remedies that it would have had and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement, including all rights and remedies available to it under applicable Law and, in the case of the Consenting Lenders, under the Prepetition Credit Agreements or any of the other Prepetition Secured Credit Facility Documents; provided, however, that in no event shall any such termination relieve a Restructuring Support Party from (i) liability for its breach or non-performance of its obligations under this Agreement prior to the date of such termination or (ii) obligations under this Agreement which by their terms expressly survive termination of this

Agreement. Notwithstanding anything to the contrary herein, any of the Termination Events may be waived in accordance with the procedures established by Section 8 hereof, in which case the Termination Event so waived shall be deemed not to have occurred, this Agreement shall be deemed to continue in full force and effect, and the rights and obligations of the Restructuring Support Parties under this Agreement shall be restored, subject to any modification set forth in such waiver. If this Agreement has been terminated in accordance with this Section 5 at a time when permission of the Bankruptcy Court is required for a Consenting Lender to change or withdraw (or cause to change or withdraw) its vote to accept the Plan, none of the Debtors shall oppose, and the Debtors shall consent to, any attempt by such Consenting Lender to change or withdraw (or cause to change or withdraw) such vote at such time.

(e) Automatic Stay. The Debtors acknowledge and agree, and shall not dispute, that after the commencement of the Chapter 11 Cases, the giving of a Termination Notice by the Requisite Consenting Lenders pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Debtors hereby waive, to the greatest extent possible, the applicability of the automatic stay to the giving of such Termination Notice), and no cure period contained in this Agreement shall be extended or tolled without the prior written consent of the Requisite Consenting Lenders.

6. Good Faith Cooperation; Further Assurances; Acknowledgement.

During the Restructuring Support Period, the Restructuring Support Parties shall cooperate with each other in good faith and shall coordinate their activities with each other (to the extent practicable and subject to the terms hereof) in respect of (a) all matters concerning the implementation of the Restructuring, and (b) the pursuit and support of the Restructuring in accordance with the Milestones. Furthermore, subject to the terms hereof, each of the Restructuring Support Parties shall take such action as may be reasonably necessary to carry out the purposes and intent of this Agreement and the Restructuring, including making and filing any required Governmental Entity filings and voting any Claims and Interests in favor of the Plan (provided that, none of the Consenting Lenders shall be required to incur, assume, become liable in respect of or suffer to exist any expenses, liabilities or other obligations, or agree to or become bound by any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses, liabilities or other obligations to such Consenting Lender, as applicable, in connection therewith other than as provided in the DIP Loan Documents and the Plan). This Agreement is not, and shall not be deemed, a solicitation of votes for the acceptance of a chapter 11 plan of reorganization or a solicitation to tender or exchange any securities. The acceptance of the Plan by the Consenting Lenders will not be solicited until entry by the Bankruptcy Court of the Disclosure Statement Order and the Consenting Lenders have received the Disclosure Statement and related ballots, as approved by the Bankruptcy Court.

7. Representations and Warranties.

(a) Each Consenting Lender severally (and not jointly), and each of the Debtors, on a joint and several basis, represents and warrants to the other Restructuring Support Parties that the following statements are true and correct as of the date hereof (or, in the case of a Consenting Lender that becomes a party hereto after the Restructuring Support Effective Date, as of the date such Consenting Lender becomes a party hereto):

(i) such Restructuring Support Party is validly existing and in good standing under the Laws of its jurisdiction of incorporation, organization or formation (as applicable), and has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated under this Agreement and perform its obligations contemplated under this Agreement, and the execution and delivery of this Agreement by such Restructuring Support Party and the performance of such Restructuring Support Party's obligations under this Agreement have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part;

(ii) the execution, delivery and performance by such Restructuring Support Party of this Agreement do not and will not (A) violate any provision of Law applicable to it, (B) violate its or any of its Subsidiaries' Organizational Documents, or (C) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its Subsidiaries is a party, other than, with respect to the Debtors, breaches that arise from the filing of the Chapter 11 Cases;

(iii) the execution, delivery and performance by such Restructuring Support Party of this Agreement do not and shall not require any registration or filing with, consent or approval of, or notice to, or other action of, with or by, any Governmental Entity, except such filings as may be necessary or required under the Exchange Act or the Bankruptcy Code;

(iv) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is the legally valid and binding obligation of such Restructuring Support Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(v) such Restructuring Support Party (A) is a sophisticated party with respect to the subject matter of this Agreement and the transactions contemplated hereby, (B) has adequate information concerning the matters that are the subject of this Agreement and the transactions contemplated hereby, (C) has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has independently and without reliance upon any warranty or representation by, or information from, any other Restructuring Support Party or any officer, employee, agent or representative thereof, of any sort, oral or written, except the warranties and representations expressly set forth in this Agreement, and based on such information as such Restructuring Support Party has deemed appropriate, made its own analysis and decision to enter into this Agreement and the transactions contemplated hereby, and (D) acknowledges that it has entered into this Agreement voluntarily and of its own choice and not under coercion or duress;

(vi) such Restructuring Support Party is not aware of the occurrence of any Event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement; and

(vii) such Restructuring Support Party is not currently engaged in any discussions, negotiations or other arrangements with respect to any Alternative Transaction.

(b) Each Consenting Lender severally (and not jointly) represents and warrants to each other Restructuring Support Party that, as of the date hereof (or, in the case of a Consenting Lender that becomes a party hereto after the Restructuring Support Effective Date, as of the date such Consenting Lender becomes a party hereto):

(i) with respect to the principal amount or number of Claims and Interests, as applicable, set forth below its name on the signature page hereof (or, in the case of a Consenting Lender that becomes a party hereto after the Restructuring Support Effective Date, below its name on the signature page of the Joinder Agreement executed and delivered by such Consenting Lender), such Consenting Lender (A) is the sole beneficial owner of such Claims and Interests and/or (B) has full power and authority (x) to vote on and consent to matters concerning such Claims and Interests and to exchange, assign and Transfer such Claims and Interests, and (y) to bind the beneficial owners of such Claims and Interests to any such vote, consent, exchange, assignment or Transfer;

(ii) such Consenting Lender has made no prior assignment, sale, participation, grant, conveyance or other Transfer of, and has not entered into any agreement to assign, sell, participate, grant, convey or otherwise Transfer, in whole or in part, any portion of its rights, title, or interest in any Claims and Interests that is inconsistent with the representations and warranties of such Consenting Lender herein or would render such Consenting Lender otherwise unable to comply with this Agreement and perform its obligations hereunder;

(iii) the Claims and Interests owned by such Consenting Lender are free and clear of any option, proxy, voting restriction, right of first refusal or other limitation on disposition of any kind that would reasonably be expected to adversely affect in any way the performance by such Consenting Lender of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(iv) such Consenting Lender is an "accredited investor" (as defined by Rule 501 of the Securities Act of 1933).

It is understood and agreed that the representations and warranties made by a Consenting Lender that is an investment manager, advisor or subadvisor of a beneficial owner of Claims and Interests are made with respect to, and on behalf of, such beneficial owner and not such investment manager, advisor or subadvisor, and, if applicable, are made severally (and not jointly) with respect to the investment funds, accounts and other investment vehicles managed by such investment manager, advisor or subadvisor.

(c) The Debtors represent and warrant, on a joint and several basis, to the Consenting Lenders that, as of the Restructuring Support Effective Date:

(i) the aggregate outstanding indebtedness (i) under the Prepetition Priming Credit Facility is not less than $47,000,000.00 in aggregate outstanding principal amount and (ii) under the Prepetition Syndicated Credit Facility is not less than $316,612,692.97 in aggregate outstanding principal amount, and such amounts (together with accrued interest, default interest, premiums, makewhole amounts, fees and other obligations thereon) are outstanding and owing by the Debtors without defense, offset, or counterclaim.

8. Amendments and Waivers.

(a) This Agreement, including any exhibits, schedules, annexes or attachments hereto, may be amended, amended and restated, supplemented, modified or waived if, and only if, such amendment, amendment and restatement, supplement, modification or waiver is in writing and signed, (i) in the case of an amendment, amendment and restatement, supplement or modification, by the Requisite Parties, or (ii) in the case of a waiver, by the Party against whom the waiver is to be effective; provided, however, that (A) any amendment, amendment and restatement, supplement or modification of or to this Section 8(a) shall require the written consent of the Debtors and each of the Consenting Lenders, (B) any amendment, amendment and restatement, supplement or modification of or to the definitions of "Requisite Consenting Lenders" and "Requisite Parties", shall require the consent of each of the Consenting Lenders and the Debtors, and (C) any amendment, amendment and restatement, supplement or modification that treats or affects any Consenting Lender in a manner that is materially and disproportionately adverse, on an economic or non-economic basis, to the manner in which any of the other Consenting Lenders are treated (after taking into account each of the Consenting Lender's respective holdings, Claims and Interests) shall require the written consent of such Consenting Lender.

(b) In determining whether any consent or approval has been given or obtained by the Requisite Consenting Lenders, any then-existing Consenting Lender that is in material breach of its covenants, obligations or representations under this Agreement (and the respective Prepetition Secured Loans held by such Consenting Lender) shall be excluded from such determination and the Prepetition Secured Loans held by such Consenting Lender shall be treated as if they were not outstanding.

9. Consenting Lender Election.

(a) Within five (5) calendar days following the Bid Deadline, the Requisite Consenting Lenders shall deliver a notice (the "Election Notice") to the Debtors stating that they wish to consummate either a Reorganization Transaction or a Sale Transaction and, if applicable, in connection with a Reorganization Transaction, a Partial Sale (such election, the "Elected Transaction").

10. Transaction Expenses.

(b) Whether or not the transactions contemplated by this Agreement are consummated and, in each case, if applicable, subject to the terms of the applicable engagement letter or fee reimbursement letter, the Debtors hereby agree, on a joint and several basis, to pay in cash the Transaction Expenses as follows: (i) all accrued and unpaid Transaction Expenses incurred up to (and including) the Restructuring Support Effective Date shall be paid in full in cash on the Restructuring Support Effective Date, (ii) prior to the Petition Date and after the Restructuring Support Effective Date, all accrued and unpaid Transaction Expenses shall be paid in full in cash by the Debtors on a regular and continuing basis promptly (but in any event within five (5) Business Days) and no later than the Business Day prior to the Petition Date against receipt of reasonably detailed invoices, (iii) after the Petition Date, to the extent permitted by order of the Bankruptcy Court, all accrued and unpaid Transaction Expenses shall be paid in full

in cash by the Debtors on a regular and continuing basis promptly (but in any event within five (5) Business Days) against receipt of reasonably detailed invoices, (iv) upon termination of this Agreement, all accrued and unpaid Transaction Expenses incurred up to (and including) the date of such termination shall be paid in full in cash promptly (but in any event within five (5) Business Days), against receipt of reasonably detailed invoices, and (v) on the Effective Date, all accrued and unpaid Transaction Expenses incurred up to (and including) the Effective Date shall be paid in full in cash on the Effective Date against receipt of reasonably detailed invoices, in each case without any requirement for Bankruptcy Court review or further Bankruptcy Court order; provided, however, that nothing herein shall affect or limit any obligations of the Debtors to pay Transaction Expenses pursuant to the DIP Orders.

(c) The terms set forth in this Section 10 shall survive termination of this Agreement and shall remain in full force and effect regardless of whether the transactions contemplated by this Agreement are consummated. The Debtors hereby acknowledge and agree that the Consenting Lenders have expended, and will continue to expend, considerable time, effort and expense in connection with this Agreement and the negotiation of the Restructuring, and that this Agreement provides substantial value to, is beneficial to, and is necessary to preserve, the Debtors, and that the Consenting Lenders have made a substantial contribution to the Debtors and the Restructuring. If and to the extent not previously reimbursed or paid in connection with the foregoing, subject to the approval of the Bankruptcy Court, the Debtors shall reimburse or pay (as the case may be) all Transaction Expenses pursuant to section 1129(a)(4) of the Bankruptcy Code or otherwise. The Debtors hereby acknowledge and agree that the Transaction Expenses are of the type that should be entitled to treatment as, and the Debtors shall seek treatment of such Transaction Expenses as, administrative expense claims pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code.

11. Effectiveness.

This Agreement shall become effective and binding upon the Restructuring Support Parties on the date when counterpart signature pages to this Agreement have been executed and delivered by the Debtors and Initial Consenting Lenders holding (x) at least 2/3 in aggregate outstanding principal amount of the Prepetition Priming Facility Loans and (y) at least a majority in aggregate outstanding principal amount of the Prepetition Syndicated Facility Loans (such date, the "Restructuring Support Effective Date"). With respect to any Person that becomes a party to this Agreement by executing and delivering a Joinder Agreement after the Restructuring Support Effective Date, this Agreement shall become effective as to such Person at the time such Joinder Agreement is executed and delivered as hereinabove provided.

12. Conflicts.

The Restructuring Term Sheet is supplemented by the terms and conditions of this Agreement. However, to the extent this Agreement is silent as to a particular matter set forth in the Restructuring Term Sheet, such matter shall be governed by the terms and conditions set forth in the Restructuring Term Sheet. In the event the terms and conditions as set forth in the Restructuring Term Sheet and this Agreement are inconsistent, the terms and conditions of the Restructuring Term Sheet shall control. Notwithstanding the foregoing, nothing contained in this

Section 12 shall affect, in any way, the requirements set forth herein for the amendment of this Agreement.

13. GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION (EXCEPT TO THE EXTENT IT MAY BE PREEMPTED BY THE BANKRUPTCY CODE). BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE RESTRUCTURING SUPPORT PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION, SUIT, DISPUTE OR PROCEEDING ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATE OF NEW YORK, COUNTY OF NEW YORK, AND THE RESTRUCTURING SUPPORT PARTIES IRREVOCABLY CONSENT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTIONS AS TO VENUE OR INCONVENIENT FORUM. NOTWITHSTANDING THE FOREGOING CONSENT TO JURISDICTION, FOLLOWING THE COMMENCEMENT OF THE CHAPTER 11 CASES AND SO LONG AS THE BANKRUPTCY COURT HAS JURISDICTION OVER THE DEBTORS, EACH OF THE RESTRUCTURING SUPPORT PARTIES AGREES THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION WITH RESPECT TO ANY MATTER UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, AND HEREBY SUBMITS TO THE JURISDICTION OF THE BANKRUPTCY COURT. EACH RESTRUCTURING SUPPORT PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Specific Performance/Remedies.

It is understood and agreed by the Restructuring Support Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Restructuring Support Party and each non-breaching Restructuring Support Party shall be entitled to specific performance and injunctive or other equitable relief (including reasonable attorneys' fees, costs and expenses) as a remedy of any such breach, in addition to any other remedy to which such non-breaching Restructuring Support Party may be entitled, at law or in equity, without the necessity of proving the inadequacy of money damages as a remedy, including an order of the Bankruptcy Court requiring any Restructuring Support Party to comply promptly with any of its obligations hereunder. Each Restructuring Support Party hereby waives any requirement for the securing or posting of any bond in connection with such remedies.

15. Survival.

Notwithstanding the termination of this Agreement pursuant to Section 5 hereof, the agreements and obligations of the Restructuring Support Parties in this Section 15 and Sections 5(d), 5(e), 10, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25 hereof, the last

paragraph of Section 2, the last paragraph of Section 3(a), and any defined terms used in any of the forgoing Sections or paragraphs (solely to the extent used therein), shall survive such termination and shall continue in full force and effect in accordance with the terms hereof.

16. Headings.

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

17. Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Restructuring Support Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives; provided, however, that nothing contained in this Section 17 shall be deemed to permit sales, assignments or other Transfers of the Claims and Interests other than in accordance with Sections 3(c) and 3(d) of this Agreement. If any provision of this Agreement, or the application of any such provision to any Person or circumstance, shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and this Agreement shall continue in full force and effect; provided, however, that nothing in this Section 17 shall be deemed to amend, supplement or otherwise modify, or constitute a waiver of, any Termination Event. Upon any such determination of invalidity, the Restructuring Support Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Restructuring Support Parties as closely as possible, in a reasonably acceptable manner, such that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

18. No Third-Party Beneficiaries.

Unless expressly stated herein, this Agreement shall be solely for the benefit of the Restructuring Support Parties and no other Person shall be a third-party beneficiary hereof.

19. Prior Negotiations; Entire Agreement.

This Agreement, including the exhibits and schedules hereto, constitutes the entire agreement of the Restructuring Support Parties, and supersedes all other prior negotiations, with respect to the subject matter of this Agreement, whether written or oral.

20. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Any execution copies of this Agreement and executed counterpart signature pages to this Agreement may be delivered by e-mail or other electronic imaging means, which shall be deemed to be an original for the purposes of this Section 20; provided, however, that signature pages executed by the Consenting Lenders shall be delivered to (a) each of the other Consenting

Lenders in a redacted form that removes the Consenting Lenders' holdings of Claims and Interests, and (b) the Debtors and the Consenting Lenders' Advisors in an unredacted form.

21. Notices.

All notices, requests, demands, document deliveries and other communications under this Agreement shall be in writing and shall be deemed to have been duly given, provided, made or received (a) when delivered personally, (b) when sent by e-mail, (c) one (1) Business Day after deposit with an overnight courier service, or (d) three (3) Business Days after being mailed by certified or registered mail, return receipt requested, with postage prepaid to the Restructuring Support Parties at the following addresses or e-mail addresses (or at such other addresses or e-mail addresses for a Restructuring Support Party as shall be specified by like notice):

If to the Debtors:

AAC Holdings, Inc.
200 Powell Place
Brentwood, Tennessee 37027
E-mail: amcwilliams@contactaac.com
Attention: Andrew McWilliams, Chief Executive Officer

with a copy to (which shall not constitute notice):

Greenberg Traurig, LLP
3333 Piedmont Road NE
Terminus 200, Suite 2500
Atlanta, GA 30305
E-mail: kurzweild@gtlaw.com
franklinae@gtlaw.com
Attention: David Kurzweil
Alison Franklin

If to the Consenting Lenders:

To each Consenting Lender at the addresses or e-mail addresses set forth in the Consenting Lenders' signature pages to this Agreement (or in the signature page to a Joinder Agreement in the case of any Consenting Lender that becomes a party hereto after the Restructuring Support Effective Date)

with copies to (which shall not constitute notice):

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
E-mail: sbhattacharyya@stroock.com
dfliman@stroock.com
Attention: Sayan Bhattacharyya

Daniel A. Fliman

22. Reservation of Rights; No Admission.

Except as expressly provided in this Agreement and in any amendment hereto, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Restructuring Support Parties to (a) protect and preserve its rights, remedies and interests, including its claims against any of the other Restructuring Support Parties (or their respective Affiliates or Subsidiaries) and any Encumbrances it may have on or in any assets or properties of any of the Debtors, (b) consult with any of the other Restructuring Support Parties, (c) fully participate in any bankruptcy case filed by any Debtor, or (d) purchase, sell or enter into any transactions in connection with Claims and Interests, in each case subject to the terms hereof. Without limiting the foregoing sentence in any way, if the Restructuring is not consummated, or if this Agreement is terminated for any reason, nothing herein shall be construed as a waiver by any Restructuring Support Party of any or all of such Restructuring Support Party's rights, remedies, claims and defenses and the Restructuring Support Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. No Consenting Lender shall have, by reason of this Agreement, a fiduciary relationship in respect of any other Restructuring Support Party, any holder of Claims and Interests, or any other Person, and nothing in this Agreement, express or implied, is intended to impose, or shall be construed as imposing, upon any Consenting Lender any obligations in respect of this Agreement or the Restructuring except as expressly set forth herein. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Restructuring Support Parties. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable Law, foreign or domestic, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any Proceeding other than a Proceeding to enforce its terms. Neither this Agreement nor any of the other Restructuring Documents shall be construed as or be deemed to be evidence of an admission or concession on the part of any Restructuring Support Party of any claim, fault, liability or damages whatsoever. Each of the Restructuring Support Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

23. Representation by Counsel.

Each Restructuring Support Party acknowledges that it has been represented by, or has been provided a reasonable period of time to obtain access to and advice by, counsel with respect to this Agreement and the Restructuring. Accordingly, any rule of law or any legal decision that would provide any Restructuring Support Party with a defense to the enforcement of the terms of this Agreement against such Restructuring Support Party based upon lack of legal counsel shall have no application and is expressly waived.

24. Relationship Among Restructuring Support Parties.

Notwithstanding anything herein to the contrary, the duties and obligations of the Consenting Lenders under this Agreement shall be several, and not joint and several. It is understood and agreed that no Consenting Lender owes any duty of trust or confidence of any kind or form to any other Restructuring Support Party, and, except as expressly provided in this

Agreement, there are no commitments among or between them. In this regard, it is understood and agreed that any Consenting Lender may trade in the Claims and Interests of any Debtor without the consent of any other Restructuring Support Party, subject to applicable securities laws and the terms of this Agreement; provided, however, that no Consenting Lender shall have any responsibility for any such trading to any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Restructuring Support Parties shall in any way affect or negate this understanding and agreement. No Consenting Lender shall, as a result of its entering into and performing its obligations under this Agreement, be deemed to be part of a "group" (as that term is used in Section 13(d) of the Exchange Act) with any other Restructuring Support Party. For the avoidance of doubt, no action taken by a Consenting Lender pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Restructuring Support Parties that the Consenting Lenders are in any way acting in concert or as such a "group."

25. Disclosure; Publicity.

The Debtors shall submit drafts to Stroock, as counsel to the Initial Consenting Lenders, of any press releases and public documents that constitute disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two (2) Business Days prior to making any such disclosure, and shall afford them a reasonable opportunity under the circumstances to comment on such documents and disclosures and shall incorporate any such reasonable comments in good faith; provided, that if the Requisite Consenting Lenders do not object to the form of such press release or public document or do not otherwise respond to such request for approval (including through counsel) within the two (2) Business Day period, the Requisite Consenting Lenders shall be deemed to have consented to the form of such press release or public document for purposes of this Section 25. Except as required by Law, no Restructuring Support Party or its advisors shall (a) use the name of any Consenting Lender in any public manner (including in any press release) with respect to this Agreement, the Restructuring or any of the Restructuring Documents or (b) disclose to any Person (including, for the avoidance of doubt, any other Consenting Lender), other than advisors to the Debtors, the principal amount or percentage of any Claims and Interests held by any Consenting Lender, without such Consenting Lender's prior written consent; provided, however, that (i) if such disclosure is required by Law, the disclosing Restructuring Support Party shall afford the relevant Consenting Lender a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure and (ii) the foregoing shall not prohibit the disclosure of the aggregate percentage or aggregate principal amount of Claims and Interests held by the Consenting Lenders. Notwithstanding the provisions in this Section 25, (x) any Restructuring Support Party may disclose the identities of the Restructuring Support Parties in any action to enforce this Agreement or in any action for damages as a result of any breaches hereof, and (y) any Restructuring Support Party may disclose, to the extent expressly consented to in writing by a Consenting Lender, such Consenting Lender's identity and individual holdings.

26. Consideration.

Each Restructuring Support Party hereby acknowledges that no consideration, other than that specifically described herein, shall be due or paid to any Restructuring Support Party for its

agreement to vote to accept the Plan (subsequent to proper disclosure and solicitation) or to otherwise support and take actions to effectuate the Restructuring in accordance with the terms and conditions of this Agreement, other than each of the Restructuring Support Parties' representations, warranties, and agreements with respect to their commitments hereunder regarding the consummation of the Restructuring (including the confirmation and consummation of the Plan).

27. ACKNOWLEDGEMENTS.

THIS AGREEMENT, THE PLAN, THE OTHER RESTRUCTURING DOCUMENTS, THE RESTRUCTURING, AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN ARE THE PRODUCT OF ARMS'-LENGTH NEGOTIATIONS BETWEEN THE RESTRUCTURING SUPPORT PARTIES AND THEIR RESPECTIVE REPRESENTATIVES. EACH RESTRUCTURING SUPPORT PARTY HEREBY ACKNOWLEDGES THAT THIS AGREEMENT IS NOT, AND SHALL NOT BE DEEMED TO BE, A SOLICITATION OF VOTES FOR THE ACCEPTANCE OF THE PLAN OR REJECTION OF ANY OTHER CHAPTER 11 PLAN FOR PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE OR OTHERWISE. THE PROPONENTS OF THE PLAN SHALL NOT SOLICIT ACCEPTANCES OF THE PLAN FROM ANY PERSON UNTIL THE PERSON HAS BEEN PROVIDED WITH A COPY OF THE PLAN, DISCLOSURE STATEMENT, AND RELATED DOCUMENTS. NOTHING IN THIS AGREEMENT SHALL REQUIRE ANY RESTRUCTURING SUPPORT PARTY TO TAKE ANY ACTION PROHIBITED BY THE BANKRUPTCY CODE, ANY OTHER APPLICABLE LAW OR REGULATION, OR AN ORDER OR DIRECTION OF ANY COURT OR ANY OTHER GOVERNMENTAL ENTITY.

[Signature pages follow]

IN WITNESS WHEREOF, the Restructuring Support Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

AAC HOLDINGS, INC.

By:_____
Name: Andrew McWilliams
Title: Chief Executive Officer

AAC HEALTHCARE NETWORK, INC.
ADCARE CRIMINAL JUSTICE SERVICES, INC.
ADCARE HOSPITAL OF WORCESTER, INC.
ADCARE, INC.
ADCARE RHODE ISLAND, INC.
AMERICAN ADDICTION CENTERS, INC.
DIVERSIFIED HEALTHCARE STRATEGIES, INC.
FORTERUS HEALTH CARE SERVICES, INC.
GREEN HILL REALTY CORPORATION
LINCOLN CATHARINE REALTY CORPORATION
SAN DIEGO ADDICTION TREATMENT CENTER, INC.
TOWER HILL REALTY, INC.

By:_____
Name: Andrew McWilliams
Title: Sole Director

ADDICTION LABS OF AMERICA, LLC
B&B HOLDINGS INTL LLC
BEHAVIORAL HEALTHCARE REALTY, LLC
BHR ALISO VIEJO REAL ESTATE, LLC
BHR GREENHOUSE REAL ESTATE, LLC
BHR OXFORD REAL ESTATE, LLC
BHR RINGWOOD REAL ESTATE, LLC
CONCORDE REAL ESTATE, LLC
CONCORDE TREATMENT CENTER, LLC
GREENHOUSE TREATMENT CENTER, LLC
LAGUNA TREATMENT HOSPITAL, LLC
NEW JERSEY ADDICTION TREATMENT CENTER, LLC
OXFORD OUTPATIENT CENTER, LLC
OXFORD TREATMENT CENTER, LLC
RECOVERY FIRST OF FLORIDA, LLC
RI – CLINICAL SERVICES, LLC
RIVER OAKS TREATMENT CENTER, LLC
SAGENEX DIAGNOSTICS LABORATORY, LLC
SINGER ISLAND RECOVERY CENTER, LLC
SOBER MEDIA GROUP, LLC

SOLUTIONS TREATMENT CENTER, LLC

By: _____
Name: Andrew McWilliams
Title: Sole Manager

AAC DALLAS OUTPATIENT CENTER, LLC
AAC LAS VEGAS OUTPATIENT CENTER, LLC
ABTTC, LLC
CLINICAL REVENUE MANAGEMENT SERVICES, LLC
FITRX, LLC

By: American Addiction Centers, Inc.
Its: Sole Member

By: _____
Name: Andrew McWilliams
Title: Sole Director

REFERRAL SOLUTIONS GROUP, LLC
TAJ MEDIA, LLC

By: Sober Media Group, LLC
Its: Sole Member

By: _____
Name: Andrew McWilliams
Title: Sole Manager

RECOVERY BRANDS, LLC

By: Referral Solutions Group, LLC
Its: Sole Member

By: Sober Media Group, LLC
Its: Sole Member

By: _____
Name: Andrew McWilliams
Title: Sole Manager

THE ACADEMY REAL ESTATE, LLC

By: Behavioral Healthcare Realty, LLC
Its: Sole Member

By: _____
Name: Andrew McWilliams
Title: Sole Manager

GRAND PRAIRIE PROFESSIONAL GROUP, P.A.
LAS VEGAS PROFESSIONAL GROUP – CALARCO, P.C.
OXFORD PROFESSIONAL GROUP, P.C.
PALM BEACH PROFESSIONAL GROUP, PROFESSIONAL CORPORATION
PONTCHARTRAIN MEDICAL GROUP, A PROFESSIONAL CORPORATION
SAN DIEGO PROFESSIONAL GROUP, P.C.

By: _____
Name: Mark A. Calarco, D.O.
Title: Director

[Consenting Lenders' Signature Pages Redacted]

EXHIBIT A
RESTRUCTURING TERM SHEET

Execution Version

AAC HOLDINGS, INC., et al.

Restructuring Term Sheet

THIS RESTRUCTURING TERM SHEET (THIS "TERM SHEET"), IS ATTACHED AS EXHIBIT A TO THE RESTRUCTURING SUPPORT AGREEMENT (THE "RSA") DATED JUNE 19, 2020, BY AND AMONG CERTAIN LENDERS UNDER THE PREPETITION PRIMING CREDIT AGREEMENT AND THE PREPETITION SYNDICATED CREDIT AGREEMENT (EACH AS DEFINED BELOW), AAC HOLDINGS, INC. ("AAC") AND EACH OF ITS SUBSIDIARIES PARTY THERETO (COLLECTIVELY, THE "COMPANY"). CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED HAVE THE MEANING ASCRIBED TO SUCH TERM IN THE RSA.

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF ANY CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE OR ANY OTHER PLAN OF REORGANIZATION OR SIMILAR PROCESS UNDER ANY OTHER APPLICABLE LAW. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS, PROVISIONS OF THE BANKRUPTCY CODE AND/OR OTHER APPLICABLE LAWS.

NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR BE DEEMED BINDING ON ANY OF THE PARTIES HERETO. THIS TERM SHEET IS FOR SETTLEMENT DISCUSSION PURPOSES ONLY, IS SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE, AND CANNOT BE DISCLOSED TO ANY OTHER PERSON OR ENTITY WITHOUT THE CONSENT OF THE CONSENTING LENDERS.

THIS TERM SHEET IS SUBJECT TO ONGOING REVIEW AND DILIGENCE BY THE DEBTORS, THE CONSENTING LENDERS AND THEIR RESPECTIVE ADVISORS. THE REGULATORY, TAX, ACCOUNTING AND OTHER LEGAL AND FINANCIAL MATTERS AND EFFECTS RELATED TO THE RESTRUCTURING HAVE NOT BEEN FULLY EVALUATED, AND THE RESULTS OF ANY SUCH EVALUATION MAY AFFECT THE TERMS AND STRUCTURE OF THE RESTRUCTURING. THIS TERM SHEET IS NOT BINDING, IS SUBJECT TO MATERIAL CHANGE, AND IS BEING DISTRIBUTED FOR DISCUSSION PURPOSES ONLY. THIS TERM SHEET DOES NOT ADDRESS ALL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH THE RESTRUCTURING, AND NO PARTY SHALL BE BOUND WITH RESPECT TO ANY TRANSACTION CONTEMPLATED HEREUNDER UNTIL THE EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION ACCEPTABLE IN FORM AND SUBSTANCE TO THE DEBTORS AND THE REQUISITE CONSENTING LENDERS AFTER OBTAINING ALL NECESSARY INTERNAL APPROVALS.

Overview	
Introduction	This term sheet describes the principal terms of a comprehensive restructuring (the "Restructuring") of the Company through a chapter 11 process. Subject to the terms of the RSA, the transactions in this Term Sheet may be effectuated pursuant to the Plan (as defined below) through (a) a stand-alone reorganization (a "Reorganization Transaction") or (b) a sale of substantially all of the Company's assets (a "Sale Transaction").
Implementation	The Restructuring shall be implemented in accordance with the RSA through the commencement of voluntary chapter 11 cases (the "Chapter 11 Cases") by AAC and each of its direct and indirect subsidiaries that will be debtors in the Chapter 11 Cases (collectively, the "Debtors"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and the consummation of a joint chapter 11 plan (the "Plan") for the Debtors confirmed by the Bankruptcy Court consistent in all material respects with the RSA and this Term Sheet, and otherwise acceptable to the Debtors and the Requisite Consenting Lenders (as defined in the RSA).
Restructuring Support Agreement	Prior to the commencement of the Chapter 11 Cases, the Debtors shall enter into the RSA with lenders holding at least (x) 2/3 in aggregate outstanding principal amount of the loans under the Prepetition Priming Credit Agreement and (y) a majority in aggregate outstanding principal amount of the Prepetition Syndicated Credit Agreement (each as defined below). The lenders under the Prepetition Priming Credit Agreement and/or the Prepetition Syndicated Credit Agreement that are signatories to the RSA are referred to herein as the "Consenting Lenders".
Existing Credit Facilities	The indebtedness of the Debtors to be repaid or restructured pursuant to the Plan includes, among other things: 1. Approximately $47.0 million aggregate outstanding principal amount of senior secured first lien term loans, plus accrued and unpaid interest, fees, costs and other amounts that may be due and payable under that certain Credit Agreement, dated as of March 8, 2019, among AAC, as borrower, the guarantors party thereto, the lenders party thereto and Ankura Trust Company, LLC (as successor by assignment to Credit Suisse AG), as administrative agent and collateral agent (as amended, supplemented or otherwise modified from time to time, the "Prepetition Priming Credit Agreement"); and

	2. Approximately $316.6 million aggregate outstanding principal amount of senior secured second lien term loans and revolving loans, plus accrued and unpaid interest, fees, costs and other amounts that may be due and payable under that certain Credit Agreement, dated as of June 30, 2017 among AAC, as borrower, the guarantors party thereto, the lenders party thereto and Ankura Trust Company, LLC (as successor by assignment to Credit Suisse AG), as administrative agent and collateral agent (as amended, supplemented or otherwise modified from time to time, the "Prepetition Syndicated Credit Agreement", and together with the Prepetition Priming Credit Agreement, the "Prepetition Credit Agreements").
DIP Facility	In connection with the Restructuring, the Debtors shall obtain a $62.5 million senior secured multiple-draw debtor-in-possession term loan facility (the "DIP Facility") to be provided by certain Consenting Lenders and backstopped by the initial lenders under the DIP Facility (the "Initial DIP Lenders"). The material terms of the DIP Facility are set forth on Exhibit C to the RSA, subject to definitive documentation and entry of interim and final orders of the Bankruptcy Court, each in form and substance acceptable to the Initial DIP Lenders and the Requisite Consenting Lenders.
Post-petition Marketing Process	Following the commencement of the Chapter 11 Cases, the Debtors shall continue to undertake a sale process and solicit bids in accordance with the order approving the bidding procedures for (x) a potential Sale Transaction, which may be in the form of sponsorship of the Plan (a "Plan Sponsorship Proposal") providing for the distribution of equity or debt consideration ("Non-Cash Consideration") to prepetition creditors in addition to cash, and/or (y) a potential sale of a portion of the Debtors' assets other than a Sale Transaction (a "Partial Sale"), in each case to be consummated pursuant to the Plan on the Effective Date. The Debtors shall undertake their sale process in good faith consultation with the Consenting Lenders. The Consenting Lenders and their advisors shall have the right to review all information, diligence, and materials provided by the Debtors' investment banker to any bidder or prospective bidder with respect to any potential Sale Transaction or Partial Sale; provided that, to the extent necessary, confidentiality agreements and/or business associates agreement (for purposes of HIPAA protections) are in place. The Debtors shall consult the advisors for the Consenting Lenders in good faith regarding the sale process, including any diligence and other information requested by the Requisite Consenting Lenders and their advisors with respect thereto, and the Debtors shall provide to the advisors for the Consenting

	Lenders comprehensive weekly reports concerning the sale process, including parties contacted, buyer feedback, copies of all letters of intent, drafts of definitive agreements and updates on proposals; provided that to the extent any Consenting Lender has credit bid as part of the sale process, such Consenting Lender shall not be part of the consultation process with the Debtors. The Debtors shall only consummate a Sale Transaction (including any Plan Sponsorship Proposal) on the Effective Date if, in accordance with the bidding procedures, the Debtors receive a successful bid with respect to a Sale Transaction that would satisfy in full, in cash, (x) all allowed administrative claims, other priority claims, Other Secured Claims, DIP Facility Claims, Priming Facility Claims, and (y) all Syndicated Facility Claims (or such lesser amount of Syndicated Facility Claims, including any Non-Cash Consideration, as is acceptable to the Requisite Consenting Lenders in their sole and absolute discretion). The Debtors shall consummate a Partial Sale only with the consent of the Requisite Consenting Lenders and only to the extent that such transaction is otherwise consistent with a Reorganization Transaction. Proceeds of a Partial Sale ("Partial Sale Proceeds") shall be applied first to repay obligations under the DIP Facility in accordance with the terms thereof and, to the extent that all obligations under the DIP Facility have been repaid in full in cash, any Partial Sale Proceeds remaining thereafter shall be applied in accordance with the terms of the Plan for a Reorganization Transaction. Holders of DIP Facility Claims, Priming Facility Claims and Syndicated Credit Facility Claims shall have the right to credit bid in connection with any Sale Transaction or Partial Sale.
Exit Facilities	If a Reorganization Transaction is consummated, on the Effective Date, the Reorganized Debtors shall enter into exit facilities (the "Exit Facilities") consisting of either: (1) (A) an exit term loan credit facility (the "Exit Term Loan Facility") on the terms set forth on **Exhibit 1** in an aggregate principal amount equal to (x) the DIP Facility Claims that are rolled over into the Exit Term Loan Facility, plus (y) the Priming Facility Claims that will receive loans under the Exit Term Loan Facility, in each case as provided below, and (B) such additional financing consisting of revolving loans, term loans or other indebtedness as may be necessary to enable the Reorganized Debtors to satisfy the Minimum Liquidity Condition (as defined below) and having terms and an amount

	acceptable to the Debtors, the "Required Lenders" under the DIP Facility and the Requisite Consenting Lenders; or (2) an exit credit facility from a third party financial institution acceptable to the Debtors and the Requisite Consenting Lenders with terms acceptable to the Requisite Consenting Lenders (an "Acceptable Exit Facility") and enabling the Reorganized Debtors to satisfy the Minimum Liquidity Condition.
Milestones	The Debtors shall comply with the following milestones in addition to other milestones that may be set forth in the DIP Facility or the RSA: ● Entry of the Interim DIP Order, in form and substance acceptable to the Requisite Consenting Lenders, on or before the date that is five (5) calendar days following the Petition Date; ● File a motion seeking Bankruptcy Court approval of the bidding procedures, in form and substance reasonably acceptable to the Requisite Consenting Lenders, on or before the date that is fifteen (15) calendar days following the Petition Date; ● Filing the Plan, the accompanying disclosure statement (the "Disclosure Statement") and a motion seeking approval of the Disclosure Statement and related solicitation procedures, each in form and substance reasonably acceptable to the Requisite Consenting Lenders, on or before the date that is thirty-five (35) calendar days following the Petition Date; ● Entry of the Final DIP Order, in form and substance acceptable to the Requisite Consenting Lenders, on or before the date that is thirty-five (35) calendar days following the Petition Date; ● Entry of an order approving the bidding procedures, in form and substance reasonably acceptable to the Requisite Consenting Lenders, on or before the date that is forty (40) calendar days following the Petition Date; ● Entry of an order approving the Disclosure Statement and related solicitation procedures, in form and substance reasonably acceptable to the Requisite Consenting Lenders, on or before the date that is sixty-five (65) calendar days following the Petition Date; ● Entry of an order confirming the Plan, in form and substance acceptable to the Requisite Consenting Lenders, on or before the date that is one hundred ten (110) calendar days following the

	Petition Date; and ● The occurrence of the Effective Date (as defined below) on or before the date that is one hundred twenty-five (125) calendar days following the Petition Date.
Treatment of Claims and Interests	
Administrative, Priority Tax, and Other Priority Claims	Each holder of an allowed administrative, priority tax, or other priority claim shall be paid in full in cash on the effective date of the Plan (the "Effective Date"), or in the ordinary course of business as and when due, or otherwise receive treatment consistent with the provisions of section 1129(a) of the Bankruptcy Code.
DIP Facility Claims	On the Effective Date, all obligations under the DIP Facility ("DIP Facility Claims") shall be paid in full as follows: (A) if a Sale Transaction is consummated, DIP Facility Claims shall be paid in full in cash from the proceeds of the Sale Transaction; and (B) if a Reorganization Transaction is consummated, after applying any Partial Sale Proceeds, either (1) the outstanding principal amount under the DIP Facility as of the Effective Date (plus the Exit Fee under the DIP Facility) shall be rolled-over into the Exit Term Loan Facility (and any unpaid fees, interest or other amounts outstanding will be paid in cash) and the holders of the DIP Facility Claims shall receive their pro rata share of New Warrants (as defined below), together with the Priming Facility Claims, or (2) the DIP Facility Claims shall be paid in full in cash with the proceeds of an Acceptable Exit Facility.
Priming Facility Claims	On the Effective Date, each holder of an allowed claim arising under the Prepetition Priming Credit Agreement ("Priming Facility Claims") will receive: (A) if a Sale Transaction is consummated, such holder's pro rata share of Distributable Sale Proceeds, until the Priming Facility Claims have been paid in full; and (B) if a Reorganization Transaction is consummated, after applying any Partial Sale Proceeds remaining after the DIP Facility Claims have been paid in full, either (1) such holder's pro rata share of (x) loans under the Exit Term Loan Facility and (y) New Warrants, together with the DIP Facility Claims, or (2) payment in full in cash with the proceeds of an Acceptable Exit Facility. "Distributable Sale Proceeds" means the cash consideration to be

	received by the Debtors in connection with the Sale Transaction, plus the Debtors' cash on the balance sheet as of the closing of the sale, less any amounts required to be paid in cash (or reserved for) under the Plan, including DIP Facility Claims, administrative claims, priority claims, and Other Secured Claims (as defined below).
Syndicated Facility Claims	On the Effective Date, each holder of an allowed claim arising under the Prepetition Syndicated Credit Agreement ("Syndicated Facility Claims") will receive: (A) if a Sale Transaction is consummated, such holder's pro rata share of (x) Distributable Sale Proceeds (after payment in full of any Priming Facility Claims), until the Syndicated Facility Claims have been paid in full, and (y) any Non-Cash Consideration provided for under a Plan Sponsorship Proposal; or (B) if a Restructuring Transaction is consummated, such holder's pro rata share of (i) Partial Sale Proceeds, if any, remaining after the DIP Facility Claims and Priming Facility Claims have been paid in full and (ii) 100% of the Reorganized AAC Equity Interests (as defined below), subject to dilution by the New Warrants and the Management Incentive Plan.
General Unsecured Claims	If a Sale Transaction is consummated, holders of general unsecured claims shall receive their pro rata share of remaining Distributable Sale Proceeds after (and solely to the extent that) all Priming Facility Claims and all Syndicated Facility Claims have been paid in full in cash (including post-petition interest, fees and expenses). If a Reorganization Transaction is consummated, holders of general unsecured claims shall receive no recovery or distribution under the Plan.
Other Secured Claims	Each holder of a secured claim other than a Priming Facility Claim or a Syndicated Facility Claim (an "Other Secured Claim") shall receive, at the option of the Debtors, with the consent of the Requisite Consenting Lenders (i) payment in cash in an amount equal to such claim, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter, (ii) such holder's allowed Other Secured Claim shall be reinstated, or (iii) such other treatment so as to render such holder's allowed Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code.

Intercompany Claims	On the Effective Date, each claim held by a Debtor against another Debtor shall either be: (1)(a) reinstated as of the Effective Date for tax purposes or (b) cancelled, in which case no distribution shall be made on account of such claim, in each case as determined by the Debtors with the consent of the Requisite Consenting Lenders; or (2) treated consistent with a Sale Transaction or a Partial Sale.
Section 510(b) Claims	Holders of any claim subject to subordination under section 510(b) of the Bankruptcy Code shall receive no recovery or distribution under the Plan.
Intercompany Interests	On the Effective Date, all equity interests held by a Debtor in another Debtor shall either be (a) reinstated as of the Effective Date or (b) cancelled, in which case no distribution shall be made on account of such interest, in each case as determined by the Debtors with the consent of the Requisite Consenting Lenders.
Existing Equity Interests in AAC Holdings	On the Effective Date, all existing equity interests in AAC Holdings, Inc., whether represented by stock, preferred share purchase rights, warrants, options, or otherwise, will be cancelled, released, and extinguished and the holders of such existing equity interests will receive no distribution under the Plan on account thereof.
Other Key Terms	
Mutual Releases, Third Party Releases and Exculpation	The Plan shall include usual and customary releases, including but not limited to, (a) mutual releases by and among the Debtors and the Consenting Lenders and each of their respective former and present officers, directors, agents, investors, attorneys, advisors, employees, shareholders, predecessors, successors, representatives, assigns, and affiliates (collectively, the "Released Parties") and (b) releases for the benefit of the Released Parties by all holders of claims and interests, in each case to the fullest extent permitted under applicable law, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined in a final order by a court of competent jurisdiction to constitute bad faith, fraud, willful misconduct, knowing violation of law or gross negligence. In addition, the Plan shall include usual and customary exculpation provisions, which shall, among other things, exculpate the Debtors and all professionals and each of their respective former and present officers, directors, agents, investors, attorneys, advisors, employees, shareholders, predecessors, successors, representatives, assigns, and affiliates with respect to any act or omission in connection with, relating to, or arising out of the Restructuring, including but not limited to the Chapter 11 Cases, to the fullest extent permitted under applicable

	law, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined in a final order by a court of competent jurisdiction to constitute bad faith, fraud, willful misconduct, knowing violation of law or gross negligence.
Reorganized AAC Equity Interests	If a Reorganization Transaction is consummated, on the Effective Date, Reorganized AAC Holdings, Inc. ("Reorganized AAC") shall issue new common stock or units (the "Reorganized AAC Equity Interests") in accordance with the terms of the Plan and the new organizational documents, without the need for any further corporate or shareholder action. The Reorganized AAC Equity Interests shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange. None of the Reorganized Debtors will be a reporting company under the Exchange Act. The Reorganized AAC Equity Interests and the New Warrants will be issued pursuant to section 1145 of the Bankruptcy Code and be freely transferrable under applicable securities laws without further registration, subject to certain restrictions on transfers by affiliates and underwriters under applicable securities laws. Notwithstanding the foregoing, the Reorganized AAC Equity Interests and the New Warrants shall be subject to transfer restrictions that prohibit any transfer thereof that Reorganized AAC determines will or could reasonably be expected to result in (i) more than 1,500 "holders of record" (as such concept is understood for purposes of Section 12(g) of the Exchange Act) of the Reorganized AAC Equity Interests, or more than 400 holders of record who are not "accredited investors" (as defined in Regulation D under the Securities Act) or (ii) Reorganized AAC's being required to register the Reorganized AAC Equity Interests under the Exchange Act, assuming for purposes of (i) and (ii) that all outstanding New Warrants are exercised at the time of such transfer, and any such purported or attempted transfer of New Warrants or Reorganized AAC Equity Interests, as applicable, shall not be recognized by Reorganized AAC or its stock transfer agent or warrant agent, as applicable.
New Warrants	On the Effective Date, to the extent that the Reorganized Debtors enter into the Exit Term Loan Facility, Reorganized AAC shall issue warrants (the "New Warrants"), on the terms set forth on **Exhibit 2**, to the holders of DIP Facility Claims and Prepetition Priming Facility Claims in accordance with the terms of the Plan, the Exit Term Loan Facility documents and the new organizational documents, without the need for any further corporate or shareholder action.
New Board	If a Reorganization Transaction is consummated, the board of directors of Reorganized AAC as of the Effective Date (the "New Board") shall consist of 7 directors, with 6 of the initial directors being selected by

	the ad hoc group of lenders under the Prepetition Credit Agreements represented by Stroock & Stroock & Lavan LLP (the "Ad Hoc Group") and one director being the CEO of the Reorganized Debtors. The members of the Ad Hoc Group shall select the initial members of the New Board in proportion to their respective pro forma ownership of the Reorganized AAC Equity Interest and the New Warrants.
Shareholders Agreement	If a Reorganization Transaction is consummated, the holders of Reorganized AAC Equity Interests shall be subject to a shareholders agreement on terms acceptable to the Requisite Consenting Lenders (the "Shareholders Agreement").
Critical Vendors	The Debtors may seek to obtain Bankruptcy Court approval to treat certain creditors as "critical vendors" and make payments to such "critical vendors" on account of prepetition claims in an aggregate amount not to exceed $1 million. The identities of each critical vendor and the amount(s) paid to each critical vendor shall be approved by the Requisite Consenting Lenders and consistent with the budget in connection with the DIP Facility. Any such payments shall be made pursuant to orders reasonably acceptable to the Requisite Consenting Lenders.
KEIP	The Debtors may seek to obtain Bankruptcy Court approval to implement a key employee incentive plan in an amount not to exceed $2.561 million. The identities of such key employees and the amount(s) paid to each such employee shall be approved by the Requisite Consenting Lenders and consistent with the budget in connection with the DIP Facility. Any such payments shall be made pursuant to orders reasonably acceptable to the Requisite Consenting Lenders.
Management Incentive Plan	If a Reorganization Transaction is consummated, within a reasonable time after the Effective Date, the New Board shall adopt a management incentive plan (the "Management Incentive Plan") that provides for the issuance of restricted stock units, options, stock appreciation rights and/or other similar appreciation awards of up to 10% of the Reorganized AAC Equity Interests (on a fully diluted basis) to management, key employees and directors of the Reorganized Debtors. The participants in the Management Incentive Plan, the timing and allocations of the awards to participants, and the other terms and conditions of such awards (including, but not limited to, vesting, exercise prices, base values, hurdles, forfeiture, repurchase rights and transferability) shall be determined by the New Board in its discretion.
Executory	All executory contracts (including, without limitation, employment

Contracts, Unexpired Leases	agreements) and unexpired leases shall be assumed or rejected (as the case may be), either (1) as agreed between the Debtors and the Requisite Consenting Lenders or (2) consistent with a Sale Transaction, as applicable.
Avoidance Actions	Any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by the Debtors arising under chapter 5 of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code, shall be retained by the Reorganized Debtors.
Transaction Expenses	The Debtors shall pay the reasonable fees, costs and expenses of (i) the Consenting Lenders, including the fees, costs and expenses of the Consenting Lender Advisors (as defined in the RSA), and (ii) the Prepetition Agents (as defined in the RSA) and the administrative agent and collateral agent under the DIP Facility, including the fees, costs and expenses of their professionals.
Tax Structure	To the extent practicable, the Restructuring and the consideration received in the Restructuring shall be structured in a manner that (i) minimizes any current taxes payable as a result of the consummation of the Restructuring and (ii) optimizes the tax efficiency (including, but not limited to, by way of the preservation or enhancement of favorable tax attributes) of the Restructuring to the Debtors, the Reorganized Debtors and the holders of equity or debt in the Reorganized Debtors going forward, in each case as determined by the Requisite Consenting Lenders.
Conditions to Effectiveness:	The effectiveness of the Plan will be subject to usual and customary conditions that are satisfactory to the Requisite Consenting Lenders, including the following: (i) all definitive documents contain terms and conditions consistent in all respects with the RSA and will otherwise be in form and substance reasonably acceptable to the Requisite Consenting Lenders to the extent set forth in the RSA or this Term Sheet, and any conditions precedent related thereto shall have been satisfied or waived; (ii) the Bankruptcy Court shall have entered the confirmation order for the Plan in form and substance materially consistent in all respects with this Term Sheet and otherwise acceptable to the Debtors and the Requisite Consenting Lenders, and such confirmation order will not have been reversed, stayed, modified or vacated on appeal and such order shall have become a final order;

	(iii) all of the schedules, documents and exhibits to the Plan shall be in form and substance materially consistent in all respects with this Term Sheet and otherwise reasonably acceptable in all respects to the Debtors and the Requisite Consenting Creditors; (iv) the RSA will not have been terminated, and will be in full force and effect; (v) the Debtors shall not be in default under the DIP Facility or the orders approving the DIP Facility; (vi) all Transaction Expenses will have been paid in full in cash; (vii) in the event of a Reorganization Transaction, (a) the conditions to closing of the Exit Facilities shall have been satisfied or waived and (b) the Reorganized Debtors will have a minimum liquidity (consisting of unrestricted cash and/or revolver availability) of no less than $13 million on a pro forma basis as of the Effective Date, after taking into account any reserves required under the Plan (the "Minimum Liquidity Condition"); and (viii) all governmental and third party approvals and consents necessary in connection with the Restructuring shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on such transactions. The conditions precedent set forth herein may not be waived without the express prior written consent of the Debtors and the Requisite Consenting Lenders.

Execution Version

Exhibit 1

Exit Term Loan Facility Term Sheet

Execution Version

EXHIBIT 1
TO RESTRUCTURING TERM SHEET

AAC HOLDINGS, INC.

EXIT TERM LOAN FACILITY

SUMMARY OF TERMS AND CONDITIONS

Capitalized terms used but not otherwise defined in this Summary of Terms and Conditions (this "Exit Term Loan Facility Term Sheet") shall have the meanings assigned thereto in the Restructuring Support Agreement, dated June 19, 2020, by and among certain lenders under the Prepetition Priming Credit Agreement (as defined therein) and the Prepetition Syndicated Credit Agreement (as defined therein), AAC Holdings, Inc. and each of its Subsidiaries party thereto (collectively, the "Company").

Borrower:	AAC Holdings, Inc., a Nevada corporation (the "Borrower").
Guarantors:	Each Person that is a Guarantor (as defined in the DIP Facility) or that otherwise guarantees the DIP Facility (including, for the avoidance of doubt, each Person (other than the Borrower) that is a debtor and debtor-in-possession in the Chapter 11 Cases) (collectively, the "Guarantors" and, together with the Borrower, the "Loan Parties"), on a joint and several basis.
Agent:	A financial institution to be selected by the "Required Lenders" under the DIP Facility (the "Required DIP Lenders") and the Requisite Consenting Lenders and reasonably acceptable to the Borrower, will act as administrative agent and collateral agent for the Exit Term Loan Lenders with respect to the Exit Term Loan Facility (as defined below) (in such capacities, the "Exit Term Loan Agent") and will perform the duties customarily associated with such roles.
Exit Term Loan Lenders:	The lenders under the Exit Term Loan Facility (each an "Exit Term Loan Lender"; and, collectively, the "Exit Term Loan Lenders") shall initially be the DIP Lenders and the lenders under the Prepetition Priming Credit Agreement (and/or one or more of their respective affiliates and/or related funds or accounts).
Type and Amount of the Exit Term Loans:	A secured term loan facility (the "Exit Term Loan Facility"; and the term loans thereunder, the "Exit Term Loans") in an aggregate principal amount equal to the aggregate outstanding principal amount of (x) the DIP Facility as of the Effective Date, plus (y) the Termination Payment (as defined in the DIP Commitment Letter) payable under the DIP Facility, and (z) the aggregate outstanding principal amount of loans outstanding under the Prepetition Priming Credit Agreement. Once repaid or prepaid, no portion of the Exit Term Loans may be reborrowed.
Amortization:	None.

Interest: At all times prior to the occurrence of an Event of Default (as defined below), interest on the Exit Term Loans shall accrue at a rate per annum equal to 18%; provided, that (i) the portion of such interest accruing at a per annum rate equal to 10% per annum (the "Cash Interest Rate"), shall be payable in cash monthly, and (ii) the portion of such interest accruing at a per annum rate equal to 8% shall be payable in kind monthly by increasing the principal amount of Exit Term Loans outstanding on the applicable payment date.

Upon the occurrence and during the continuance of an Event of Default, the Cash Interest Rate on the Exit Term Loans shall accrue at an additional 2% per annum.

All interest shall be computed on the basis of a three hundred sixty- (360-) day year for the actual number of days elapsed.

Agency Fee: The Borrower shall pay agency fees to the Exit Term Loan Agent in an amount to be agreed between the Borrower and the Exit Term Loan Agent.

Documentation: The Exit Term Loan Facility will be governed by, and documented pursuant to, and the Exit Term Loan Obligations shall be secured and guaranteed pursuant to terms set forth in, as applicable, a credit agreement (the "Exit Term Loan Credit Agreement") and such other definitive agreements, documents and instruments (including, as applicable, the related notes, security agreements, collateral agreements, pledge agreements, control agreements, guarantees and mortgages) as are, in each case, usual and customary for financings of this type, necessary or desirable to effectuate the financing contemplated hereby and/or otherwise required by (a) the Required DIP Lenders and the Requisite Consenting Lenders, prior to the Closing Date, and (b) following the Closing Date, the Required Exit Term Loan Lenders (as defined below) or the Exit Term Loan Agent (as applicable, the "Required Parties") (such agreements, documents and instruments, together with the Exit Term Loan Credit Agreement, collectively, the "Exit Term Loan Documents"); provided, that, each Exit Term Loan Document shall be (x) in form and substance satisfactory to the Required Parties and (y) subject to the foregoing, based on the corresponding definitive documentation governing the credit facility provided pursuant to the Prepetition Priming Credit Agreement, subject to such modifications (in each case, satisfactory to the Required Parties) as are (i) required to give effect to, and reflect, the terms and provisions set forth in, this Exit Term Loan Facility Term Sheet and/or (ii) necessary or desirable, or otherwise required by the Required Parties, to effectuate the financing contemplated hereby and/or to reflect the pro forma capital structure of the Loan Parties, the size of the Exit Term Loan Facility, the business plan and operations of the group (the foregoing standards, the "Documentation Principles").

Closing Date: The Effective Date, subject to satisfaction or waiver by the Required Parties of the conditions precedent set forth in the Exit Credit Agreement (the "Closing Date").

Maturity: Five (5) years after the "Closing Date" as defined in the DIP Credit Agreement.

Use of Proceeds:	The Exit Term Loans will be issued in exchange for DIP Facility Claims and the Priming Facility Claims pursuant to the Plan.
Mandatory Prepayments:	The Exit Term Loan Credit Agreement will contain mandatory prepayment provisions determined in accordance with the Documentation Principles.
Voluntary Prepayments:	The Exit Term Loan Credit Agreement will contain optional prepayment provisions determined in accordance with the Documentation Principles.
Security:	All obligations of the Borrower and the Guarantors to the Exit Term Loan Agent and the Exit Term Loan Lenders under the Exit Term Loan Facility, including, without limitation, all principal and accrued interest, premiums, costs, fees, expenses and any other amounts due under the Exit Term Loan Facility (collectively, the "Exit Term Loan Obligations"), shall be secured by continuing, valid, binding, enforceable and perfected first-priority (subject only to certain customary permitted liens and liens securing an Additional Exit Financing Facility, if any, that is secured on a senior basis to the Exit Term Loan Obligations as contemplated herein) liens on, and security interests in (collectively, the "Liens"), all assets and properties of, and 100% of the capital stock in, the Loan Parties (including, without limitation all assets and properties constituting, or of the type that would constitute, "Collateral" for purposes of, and as defined in, the Prepetition Priming Credit Agreement), whether tangible, intangible, real, personal, or mixed, whether owned by, or owing to, the Loan Parties on the Closing Date, or acquired by or arising in favor of the Loan Parties after the Closing Date (including under any trade names, styles, or derivations thereof) and whether owned or consigned by or to, or leased from or to, or thereafter acquired by, the Loan Parties, and regardless of where located, before or after the Closing Date (collectively, the "Collateral").
Financial Reporting:	The Exit Term Loan Credit Agreement shall contain financial reporting and other information delivery requirements determined in accordance with the Documentation Principles, including, without limitation, (i) annual, quarterly and monthly financials and (ii) such additional financials, reports and other information as may be required by the Required Parties.
Conditions Precedent to Closing and Credit Extensions:	The Exit Term Loan Credit Agreement will contain conditions precedent determined in accordance with the Documentation Principles, including, without limitation, the entry by the Borrower into an additional financing facility in an aggregate principal amount not to exceed an amount to be agreed by and on terms and conditions reasonably satisfactory to the Required Parties (an "Additional Exit Financing Facility") consisting of revolving loans, term loans or other indebtedness as may be necessary to enable the Borrower to satisfy the Minimum Liquidity Condition and having terms acceptable to the Borrower and the Required Parties, which Additional Exit Financing Facility, if secured, may be secured on a senior, pari passu or junior basis to the Exit Term Loan Obligations subject to customary intercreditor terms acceptable to the Required Parties; provided, that the Exit Term Loan Documents and the agreements and obligations of the Exit Term Loan Lenders under the Exit Term Loan Documents shall not become effective, and no Exit Term Loans shall be made, unless the Plan has been confirmed by the Bankruptcy Court in the manner and to the

extent required by the RSA, pursuant to which a Reorganization Transaction is consummated, and the conditions precedent to the effectiveness of such Plan shall have been satisfied or waived in accordance therewith.

Representations and Warranties: The Exit Term Loan Documents shall contain representations and warranties with respect to the Loan Parties and their subsidiaries determined in accordance with the Documentation Principles.

Affirmative and Negative Covenants: The Exit Term Loan Documents shall contain affirmative and negative covenants determined in accordance with the Documentation Principles; provided, that the Exit Term Loan Documents will permit the incurrence of indebtedness and liens represented by any Additional Exit Financing Facility, on a senior, pari passu or junior basis and subject to customary intercreditor terms acceptable to the Required DIP Lenders and the Requisite Consenting Lenders.

Financial Covenant: The Exit Term Loan Documents shall contain financial covenants determined in accordance with the Documentation Principles, including, without limitation, a senior secured leverage ratio and such other terms acceptable to the Required DIP Lenders and the Requisite Consenting Lenders.

Events of Default and Remedies: The Exit Term Loan Credit Agreement shall contain defaults and events of default (each, an "Event of Default"), and remedies in respect thereof determined in accordance with the Documentation Principles.

Required Exit Term Loan Lenders: Exit Term Loan Lenders holding a majority of the aggregate outstanding principal amount of Exit Term Loans, under the Exit Term Loan Facility (the "Required Exit Term Loan Lenders").

Miscellaneous: The Exit Term Loan Credit Agreement will, among other provisions deemed appropriate by the Required Parties (in their sole discretion), also contain the following, each of which shall be in form and substance satisfactory to the Required Parties:

(a) A provision providing an indemnification from the Borrower and each of the Guarantors to the Exit Term Loan Agent and each of the Exit Term Loan Lenders that is usual and customary for transactions of this type and as otherwise determined in accordance with the Documentation Principles.

(b) A provision providing for the reimbursement of fees, costs and expenses of the Exit Term Loan Agent and each of the Exit Term Loan Lenders (including, without limitation, the fees, costs and expenses of their respective counsel, advisors and other professionals) determined in accordance with the Documentation Principles.

(c) Standard yield protection provisions determined in accordance with the Documentation Principles (including, without limitation, provisions relating to compliance with risk-based capital guidelines, increased costs and payments free and clear of withholding taxes).

Governing Law:	New York.
Counsel to Initial Exit Term Loan Lenders:	Stroock & Stroock & Lavan LLP.

Execution Version

Exhibit 2

New Warrant Term Sheet

Execution Version

EXHIBIT 2
TO RESTRUCTURING TERM SHEET

AAC HOLDINGS, INC.

NEW WARRANTS

SUMMARY OF TERMS AND CONDITIONS

This term sheet (this "New Warrant Term Sheet") describes certain material terms of the warrants to purchase shares of Reorganized AAC Equity Interests, to be issued in the Reorganization Transaction contemplated by the Restructuring Term Sheet this New Warrant Term Sheet is attached to (the "Restructuring Term Sheet"). Capitalized terms used but not otherwise defined in this New Warrant Term Sheet shall have the meanings assigned thereto in the Restructuring Term Sheet and, if not defined therein, in the Restructuring Support Agreement, dated June 19, 2020, by and among certain lenders under the Prepetition Priming Credit Agreement (as defined therein) and the Prepetition Syndicated Credit Agreement (as defined therein), AAC Holdings, Inc. and each of its Subsidiaries party thereto (collectively, the "Company"). All references in this New Warrant Term Sheet to a "share" or "shares" in this New Warrant Term Sheet shall mean shares or units, as the case may be.

Issuer:	AAC Holdings, Inc., a Nevada corporation.
Warrants:	On the Effective Date, to the extent that the Reorganized Debtors enter into the Exit Term Loan Facility, Reorganized AAC shall issue warrants (collectively, the "New Warrants"), with an exercise price of $0.01 per share (the "Exercise Price"), to purchase an aggregate number of shares equal to 35% of the Reorganized AAC Equity Interests on a fully diluted basis (calculated as of the Effective Date and including any shares issuable upon exercise of the New Warrants, and not including, and subject to dilution on account of, equity issued under the Management Incentive Plan and, for the avoidance of doubt, any other share issuances following the Effective Date) (the "Effective Date Shares") to holders of DIP Facility Claims and Priming Facility Claims (collectively, the "Holders"), in accordance with the terms of the Plan, the Exit Term Loan Facility documents and the new organizational documents, without the need for any further corporate or shareholder action. For the avoidance of doubt, the New Warrants shall be issued pro rata to the holders of DIP Facility Claims and Priming Facility Claims. The terms of the New Warrants shall be satisfactory to the "Required Lenders" under the DIP Facility and the Requisite Consenting Lenders (together, the "Required Parties") and shall include the terms outlined below.
Expiration Date:	The New Warrants will expire on the date that is five (5) years after the Effective Date (the "Expiration Date").
Exercisability:	Each New Warrant may be exercised, at any time and from time to time, in whole or in part, at the option of the Holder thereof. Any exercise of a New Warrant shall be subject to customary exercise terms, including (i) the delivery of an appropriate exercise form, (ii) payment in full of the applicable Exercise Price and (iii) execution of the Shareholders Agreement.
Reservation of Shares:	Reorganized AAC will at all times reserve and keep available, free from preemptive rights and solely for the purpose of enabling it to satisfy its

obligation to issue shares upon the exercise of New Warrants, a number of authorized and unissued shares of Reorganized AAC Equity Interests equal to at least the maximum number of shares that would be issued if all New Warrants outstanding at such time were fully exercised for cash.

Redemption: The New Warrants will not be subject to redemption by Reorganized AAC or any other person. For the avoidance of doubt, any New Warrants that have not been exercised on or prior to the Expiration Date shall automatically expire and terminate, with no further action by any party.

Securities Registration: All of the New Warrants and shares of Reorganized AAC Equity Interests issuable pursuant to the exercise of the New Warrants (the "Warrant Shares") will be issued pursuant to section 1145 of the Bankruptcy Code and be freely transferrable under applicable securities laws without further registration, subject to certain restrictions on transfers by affiliates and underwriters under applicable securities laws.

Transfers: All New Warrants will be freely transferrable under applicable securities laws without further registration, subject to certain restrictions on transfers by affiliates and underwriters under applicable securities laws. Notwithstanding the foregoing, the New Warrants and Reorganized AAC Equity Interests shall be subject to transfer restrictions that prohibit any transfer thereof that Reorganized AAC determines will or could reasonably be expected to result in (i) more than 1,500 "holders of record" (as such concept is understood for purposes of Section 12(g) of the Exchange Act) of the Reorganized AAC Equity Interests, or more than 400 holders of record who are not "accredited investors" (as defined in Regulation D under the Securities Act) or (ii) Reorganized AAC's being required to register the Reorganized AAC Equity Interests under the Exchange Act, assuming for purposes of (i) and (ii) that all outstanding New Warrants are exercised at the time of such transfer, and any such purported or attempted transfer of New Warrants or Reorganized AAC Equity Interests, as applicable, shall not be recognized by Reorganized AAC or its stock transfer agent or warrant agent, as applicable.

Information Rights: Holders of New Warrants shall be entitled to the same information rights, if any, as the holders of Reorganized AAC Equity Interests.

Voting/Consent Rights: The New Warrants shall have no voting or consent rights other than as set forth in the section titled "Amendments" below.

Amendments: The terms and conditions of the New Warrants may not be amended except by Reorganized AAC with the affirmative vote or written consent of the holders of a majority of the outstanding New Warrants; provided, however, that the consent of each Holder affected thereby shall be required for any amendment pursuant to which (i) the Exercise Price would be increased and/or the number of Reorganized AAC Equity Interests issuable pursuant to the exercise of a New Warrant would be decreased (in each case, other than pursuant to anti-dilution protections) or (ii) the Warrant Expiration Date is changed to an earlier date.

Anti-Dilution: The New Warrants will be subject to customary anti-dilution protections.

Administration:	The New Warrants will be administered by a warrant agent (which may be Reorganized AAC) acceptable to the Required Parties.
Notice:	Reorganized AAC shall provide each Holder with copies of all notices and other materials provided to (and at the same time as provided to) holders of Reorganized AAC Equity Interests, and shall promptly provide each Holder with written notice of (i) any event that would result in an anti-dilution adjustment to the New Warrants, (ii) any Sale of the Company (as defined below), (iii) any amendment or proposed amendment to the New Warrants, (iv) the setting of any record date for determining the holders of Reorganized AAC Equity Interests entitled to vote on any matter or participate in any dividend or distribution, (v) any vote (including by written consent) by the holders of Reorganized AAC Equity Interests, (vi) any dividend or distribution to holders of Reorganized AAC Equity Interests and (vii) all other matters or events with respect to which the holders of Reorganized AAC Equity Interests receive notice. As used herein, "Sale of the Company" means any consolidation, merger, sale of all or substantially all assets of Reorganized AAC and its subsidiaries (taken as a whole) or similar transaction in which the holders of Reorganized AAC Equity Interests are or will be entitled to receive (either directly or upon subsequent liquidation) cash, stock, securities, or other assets or property with respect to or in exchange for shares of Reorganized AAC Equity Interests.
Governing Law:	New York.

EXHIBIT B
JOINDER AGREEMENT

[●], 2020

The undersigned ("Joinder Party") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of June 19, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), by and among AAC Holdings, Inc. ("AAC"), each of the direct and indirect Subsidiaries of AAC party thereto and the Persons named therein as "Consenting Lenders" thereunder. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Agreement.

1. Agreement to be Bound. The Joinder Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached hereto as Annex I (as the same has been or may hereafter be amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the provisions hereof). The Joinder Party shall hereafter be deemed to be a "Consenting Lender" and a "Restructuring Support Party" for all purposes under the Agreement and with respect to all Claims and Interests held such Joinder Party.

2. Representations and Warranties. The Joinder Party hereby makes the representations and warranties of the Consenting Lenders set forth in Section 7 of the Agreement to each other Restructuring Support Party.

3. Governing Law. This joinder agreement (the "Joinder Agreement") to the Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Joinder Party has caused this Joinder Agreement to be executed as of the date first written above.

[Name of Transferor: _____]

Name of Joinder Party: _____

By: _____
Name: _____
Title: _____

Notice Address:

_____

_____
E-mail: _____
Attention: _____

with a copy to:

_____

_____
E-mail: _____
Attention: _____

Principal Amount of Prepetition Priming Facility Loans:

$ _____
Principal Amount of Prepetition Priming Syndicated Facility Loans:

$ _____

Equity Interests:

_____

EXHIBIT C
DIP COMMITMENT LETTER

Execution Version

June 19, 2020

AAC Holdings, Inc.
200 Powell Place
Brentwood, Tennessee 37027
Attention: Andrew McWilliams, Chief Executive Officer

DIP COMMITMENT LETTER

SUPERPRIORITY SENIOR SECURED DEBTOR-IN-POSSESSION CREDIT FACILITY

Ladies and Gentlemen:

We understand that AAC Holdings, Inc., a Nevada corporation (the "**Company**") and certain of the Company's direct and indirect subsidiaries, affiliates and other entities (collectively and together with the Company, the "**Debtors**" and "**you**"), may determine to file voluntarily petitions under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") (such petitions, collectively, the "**Chapter 11 Cases**"). In connection with the Chapter 11 Cases, each DIP Commitment Party (as defined below) is pleased to inform you of its several but not joint commitment to provide (directly or indirectly, through one or more of its Affiliates and/or related, advised or managed funds or accounts) to the Debtors, as debtors and debtors-in-possession during the Chapter 11 Cases, in each case, subject to the DIP Orders, and otherwise on the terms, and subject to the conditions, set forth in this letter agreement (including the Summary of Material Terms and Conditions attached hereto as Exhibit A (the "**DIP Term Sheet**"), and all other annexes, schedules, exhibits or attachments hereto and thereto, collectively, this "**DIP Commitment Letter**"), the principal amount set forth opposite such DIP Commitment Party's name on Schedule I hereto under the heading "*DIP Commitment*" (such principal amount, such DIP Commitment Party's "**DIP Commitment**") of the DIP Facility described in the DIP Term Sheet (the aggregate commitments of the DIP Commitment Parties with respect to the aggregate principal amount of the DIP Facility, the "**DIP Commitments**").

Capitalized terms used in this letter agreement but not defined herein shall have the meanings given to them in the DIP Term Sheet and, if not defined therein, in the Prepetition Senior Lien Credit Agreement referred to in the DIP Term Sheet. For the purposes of this DIP Commitment Letter, the term (a) "**DIP Commitment Party**" means each of the financial institutions and other entities named on Schedule I hereto (where applicable, in such entity's capacity as investment advisor or manager with respect to certain managed accounts) and/or one or more Affiliates and/or other Persons designated by such entities, and "**DIP Commitment Parties**", "**we**" or "**us**" is a collective reference to

each such DIP Commitment Party, (b) "**Transactions**" means, collectively, the entering into, funding and incurrence of obligations under the DIP Facility, and all other transactions consummated in connection with, relating to, or otherwise contemplated by, the this DIP Commitment Letter, the DIP Facility and/or any of the DIP Loan Documents (including, without limitation, the payment of all related fees, costs and expenses, and the use of proceeds of the DIP Facility) and (c) "**Related Person**" means, with respect to any Person, (i) such Person's subsidiaries and Affiliates, (ii) such Person's and its Affiliates' respective controlling Persons, equityholders, members, managers, limited or general partners, investors, and managed funds or accounts, (iii) the respective directors, officers, employees, counsel, advisors, agents and other representatives of each of the foregoing and (iv) the respective successors and assigns of each of the foregoing.

The Company's obligations in respect of the DIP Facility shall constitute super-priority claims under Bankruptcy Code section 364(c)(1) and be entitled to first priority security interests under Bankruptcy Code sections 364(c)(2), (c)(3) and (d)(1), in each case, as more fully described in the DIP Term Sheet.

The Debtors agree that an institution reasonably acceptable to the DIP Commitment Parties and the Debtors will act as the sole administrative agent and collateral agent in respect of the DIP Facility (in such capacities, together with its successors and permitted assigns in such capacities, the "**DIP Agent**") on the terms and subject to the conditions set forth in this DIP Commitment Letter and the DIP Term Sheet. The Debtors also agree that the DIP Commitment Parties may require that an institution acceptable to the DIP Commitment Parties act as the sole arranger in respect of the DIP Facility (in such capacity, together with its successors and permitted assigns, the "**DIP Arranger**") on the terms and subject to the conditions set forth in this DIP Commitment Letter and the DIP Term Sheet. Except as set forth herein, without the prior written consent of the DIP Commitment Parties, no other arrangers, bookrunners, or other agents or co-agents will be appointed, or other titles conferred with respect to the DIP Facility. Except as set forth in the DIP Term Sheet, without the prior written consent of the Required DIP Commitment Parties, no DIP Commitment Party or DIP Lender (as defined in the DIP Term Sheet) will receive any compensation of any kind for its commitment to participate or its participation in the DIP Facility.

The DIP Commitment Parties may syndicate the DIP Facility in accordance with syndication procedures acceptable to DIP Commitment Parties that collectively hold a majority of the DIP Commitments (as in effect on the date hereof) (the "**Required DIP Commitment Parties**") (the "**DIP Syndication Procedures**"); provided, that the applicable assignee shall become a party to the Restructuring Support Agreement prior to, or concurrently with, the effectiveness of any assignment to it of any portion of the DIP Commitment or funded DIP Loans pursuant to such syndication. Notwithstanding the foregoing, in connection with any syndication of the DIP Facility, no DIP Commitment Party shall be relieved, released or novated from its commitments and obligations hereunder (including its obligation with respect to the initial funding under the DIP Facility on the Closing Date) until after the initial funding of the DIP Facility has occurred on the Closing Date in accordance with the terms hereof.

1. Conditions Precedent. The obligations of the DIP Commitment Parties hereunder are several and not joint and are in all respects subject to the satisfaction (or waiver by the Required DIP

Commitment Parties, in their sole discretion) of the conditions precedent set forth in the DIP Term Sheet under the heading "*Conditions Precedent to Closing and DIP Draws*".

2. Information; Representations and Warranties; Covenants. Each Debtor represents and warrants that (i) all information that has been or will hereafter be made available to the DIP Agent, DIP Arranger or any DIP Commitment Party, or any of their respective Related Persons by or on behalf of the Debtors or any of their respective Related Persons in connection with the Transactions (other than the Projections (as defined below), the "**Information**"), when taken as a whole, is and will be complete and correct in all material respects as of the time provided and does not and will not contain any untrue statement of a material fact known at the time such Information was provided or omit to state a then-known material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made, and (ii) all financial projections, if any, that have been or will be prepared by or on behalf of the Debtors or any of their respective Related Persons and made available to the DIP Agent, DIP Arranger or any DIP Commitment Party or any of their respective Related Persons in connection with the Transactions (the "**Projections**") have been or will be prepared in good faith based upon reasonable assumptions at the time made and at the time the related Projections are made available to such Persons (it being understood that such Projections are subject to uncertainties and contingencies, many of which are beyond the Debtors' control, and that no assurance can be given that the Projections will be realized). If at any time from the date hereof until the effectiveness of the DIP Loan Documents, any of the representations and warranties in the preceding sentence would be incorrect if the Information or Projections were then being furnished, and such representations and warranties were then being made, at such time, then the Debtors will promptly supplement, or cause to be promptly supplemented, the Information and the Projections so that such representations and warranties contained in this paragraph will be correct at such time. In issuing this DIP Commitment Letter and in arranging and providing the DIP Facility, the DIP Agent, the DIP Arranger and the DIP Commitment Parties will be entitled to use, and to rely on the accuracy of, the Information and Projections furnished to them by or on behalf of the Debtors and their respective Related Persons without responsibility for independent verification thereof.

3. Indemnification. The Debtors agree, jointly and severally and irrespective of the occurrence of the Closing, to indemnify and hold harmless the DIP Agent, DIP Arranger, each DIP Commitment Party and each DIP Lender, in each case, in such capacities, and each of their respective Related Persons (each, an "**Indemnified Person**") from and against any and all losses, claims, damages, expenses (including, without limitation, reasonable fees and disbursements of counsel) and liabilities (including any actions or other proceedings commenced or threatened in respect thereof), joint or several, that may be incurred by or asserted or awarded against any Indemnified Person (including, without limitation, in connection with any action, investigation, litigation or proceeding or the preparation or conduct of a defense in connection therewith (whether or not such Indemnified Person is a party to any such action, investigation, litigation or proceeding)), in each case, arising out of or in connection with or by reason of this DIP Commitment Letter (including the DIP Term Sheet), the DIP Loan Documents or the Transactions. The Debtors further agree to reimburse each Indemnified Person promptly upon (but in any event within five (5) business days of) demand for all reasonable and documented legal and other expenses incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to any such investigation, litigation or proceeding to which the indemnity in this paragraph applies (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein). In the case of any such investigation, litigation or other proceeding to which the

indemnity in this paragraph applies, such indemnity shall be effective, whether or not such investigation, litigation or proceeding is brought by any Debtor, any securityholder or creditor of any Debtor, an Indemnified Person or any other person, or an Indemnified Person is otherwise a party thereto and whether or not any of the Transactions are consummated. Notwithstanding anything to the contrary in this Section 3, this indemnity will not extend to damages that a court of competent jurisdiction finally determines in a non-appealable judgment to have been caused by any Indemnified Person's own gross negligence or willful misconduct nor to any reimbursement obligations for legal or other expenses incurred in connection therewith.

No Indemnified Person shall be liable for any damages arising from the use by others of any information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent such damages have resulted from (in each case as finally determined by a court of competent jurisdiction in a final and non-appealable judgment) the willful misconduct or gross negligence of such Indemnified Person. No Indemnified Person shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any Debtor or any of its Related Persons, securityholders or creditors for, or in connection with, the Transactions.

The Debtors further agree that, without the prior written consent of an Indemnified Person, the Debtors will not enter into any settlement of any such investigation, litigation or other proceeding to which the indemnity in this Section 3 applies.

4. DIP Facility Payments; Costs and Expenses. The Debtors will pay (or cause to be paid) the fees, payments and other amounts as set forth herein, in the DIP Term Sheet and in any engagement and/or fee letter entered into with the DIP Agent in connection with the DIP Facility (the "**DIP Agency Fee Letter**"). In addition, the Debtors shall jointly and severally pay promptly after receipt of an invoice from the DIP Arranger, the DIP Agent, the DIP Commitment Parties or any DIP Lender Advisors all reasonable and documented fees and out-of-pocket costs, expenses and disbursements of the DIP Arranger, the DIP Agent, the DIP Commitment Parties and DIP Lender Advisors, in each case, in connection with (a) the DIP Facility and the preparation, negotiation, execution and delivery of this DIP Commitment Letter, the DIP Loan Documents, the DIP Orders and the administration of the DIP Facility, including, without limitation, all due diligence, syndication, transportation, computer, duplication, messenger, audit, insurance, appraisal, valuation and consultant costs and expenses, and all search, filing and recording fees, incurred or sustained by the DIP Agent and the DIP Commitment Parties in connection with the DIP Facility, the DIP Loan Documents or the Transactions, the administration of the DIP Facility and any amendment or waiver of any provision of the DIP Loan Documents, (b) the enforcement of any of their rights and remedies hereunder or under the DIP Loan Documents or enforcing any DIP Loan Document or Order or DIP Obligation or any security therefor or exercising or enforcing any other right or remedy available by reason of an Event of Default (as defined in the DIP Term Sheet), (c) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or in any insolvency or bankruptcy proceeding, (d) commencing, defending or intervening in any litigation, or filing a petition, complaint, answer, motion or other pleadings in any legal proceeding, in each case, relating to, or arising out of or in connection with, the DIP Obligations, any of the Transactions, the DIP Order and/or any of the DIP Loan Documents, any Debtor and/or any of its Affiliates, and/or any transactions contemplated by, or consummated in connection with, any of the foregoing, and (e) taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) described above.

5. Confidentiality. By accepting delivery of this DIP Commitment Letter, each Debtor agrees that the existence, contents and terms of this DIP Commitment Letter (including the DIP Term Sheet) are confidential and are solely for its confidential use in connection with the Transactions and that, without the prior written consent of the DIP Commitment Parties, neither the existence, nor the terms and contents hereof and thereof shall be disclosed by it to any person or entity (whether legal or other entity), other than officers, directors, employees, agents, representatives, equity-holders, accountants, attorneys and other advisors of the Debtors, and then only on a confidential basis in connection with the Transactions. Notwithstanding the foregoing, following the Debtors' acceptance of the provisions hereof and its return of an executed counterpart of this DIP Commitment Letter, the Debtors may disclose this DIP Commitment Letter solely to the extent compelled in the Chapter 11 Cases or in any other judicial or administrative proceeding to which the Debtors are a party relating to the Debtors' exercise of any rights or remedies hereunder; provided, that, except to the extent legally impermissible, the Debtors shall (x) limit disclosure to the court filings relating to the relevant proceedings and (y) consult with the DIP Commitment Parties (or counsel to the DIP Commitment Parties) prior to making any such disclosure (or shall notify the DIP Commitment Parties thereof promptly upon being legally permitted to do so), and take such steps as are necessary or desirable to preserve the confidentiality of any information or materials disclosed in connection therewith (including making any redactions and taking such other actions as may be requested by the Required DIP Commitment Parties. Subject to any applicable legal requirements), it being understood and agreed that nothing herein shall permit any disclosure in the context of any marketing or press materials or other form of general public release, each of which shall be permitted only with the Required DIP Commitment Parties' prior written consent.

6. No Third Party Reliance, Etc. The agreements of the DIP Commitment Parties hereunder and of any DIP Lender that issues a commitment to provide financing under the DIP Facility are made solely for the benefit of the Debtors and may not be relied upon or enforced by any other person. Notwithstanding anything to the contrary, the DIP Agent shall be a third party beneficiary of the agreements of the Debtors in this DIP Commitment Letter, and of the provisions of Section 10 hereof, and shall be entitled to enforce such agreements and provisions.

7. Sharing Information; Absence of Fiduciary Relationship. You acknowledge that the DIP Arranger, DIP Agent, each DIP Commitment Party and/or one or more of their Related Persons may provide financing, equity capital or other services (including financial advisory services) to parties whose interests may conflict with the interests of the Debtors. None of the DIP Arranger, the DIP Agent, any DIP Commitment Party, or any of their respective Related Persons will use in connection with the Transactions, or furnish to the Debtors, confidential information that the DIP Arranger, the DIP Agent, such Commitment Party or any of their Related Persons obtained or may obtain from any other person.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you or any of your Related Persons, on the one hand, and the DIP Arranger, the DIP Agent any of the DIP Commitment Parties and/or any of their respective Related Persons, on the other hand, has been or will be created in respect of any of the Transactions, irrespective of whether any such Person has advised or is advising you or any of your Related Persons on other matters, and (b) you will not bring or otherwise assert any claim against the DIP Arranger, the DIP Agent, any of the DIP Commitment Parties or any of their respective Related Persons for breach of fiduciary duty or alleged breach of fiduciary duty, and agree that none of the DIP Arranger, DIP Agent, DIP Commitment

Parties or any of their respective Related Persons shall have any liability (whether direct or indirect) to you or any of your Related Persons in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of any of the Debtors and/or the Debtors' or any of your Related Persons or creditors.

You further acknowledge that each of the DIP Arranger, the DIP Agent and the DIP Commitment Parties and their respective Affiliates (collectively, the "**Group**") is a full service securities firms engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any member of the Group may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, you and your subsidiaries and other companies with which you or your subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any member of the Group, or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. Accordingly, there may be situations where parts of the Group and/or their clients either now have or may in the future have interests, or take actions, that may conflict with the Debtors' interests. For example, the Group may, in the ordinary course of business, engage in trading in financial products or undertake other investment businesses for their own account or on behalf of other clients, including without limitation, trading in or holding long, short or derivative positions in securities, loans or other financial products of any Debtor or its Affiliates or other entities connected with the DIP Facility or the Transactions.

8. Commitment Acceptance and Termination. This DIP Commitment Letter shall become effective with respect to the DIP Commitment Parties agreements herein upon delivery of this DIP Commitment Letter to the Debtors, duly executed by the DIP Commitment Parties. This DIP Commitment Letter and each DIP Commitment Party's commitments and undertakings set forth in this DIP Commitment Letter will terminate and expire automatically on the earliest to occur of:

(a) 11:59 p.m. (New York City time) on June 19, 2020 (as such time may be extended with the prior written consent of the Required DIP Commitment Parties and the Company) unless by such time the Debtors execute and deliver this DIP Commitment Letter to the DIP Commitment Parties;

(b) 11:59 p.m. (New York City time) on June 21, 2020, unless Chapter 11 Cases shall have been commenced in the Bankruptcy Court prior to such time (the date of such commencement, the "**Petition Date**");

(c) if the Petition Date has occurred by the time set forth in clause (b) above, 11:59 p.m. (New York City time) on the date that is five (5) calendar days after the Petition Date, unless the Bankruptcy Court shall have entered the Interim DIP Order prior to such time;

(d) if the Interim DIP Order has been entered by the time set forth in clause (c) above, the earlier of (i) the time at which all DIP Loan Documents required to be in effect for the Closing Date to occur have become effective and (ii) 11:59 p.m. (New York City time) on the date that is two (2) business days after the date on which the Interim DIP Order has been entered (as such time may be extended with the prior written consent of the Required DIP Commitment Parties and the Company),

unless the Closing Date has occurred (and all DIP Loan Documents required to be in effect thereon have been executed and delivered by all parties thereto and are in full force and effect) by such time;

(e) the date on which any issuance, placement, incurrence or funding of debt securities or bank financing by any of the Debtors with third parties (other than the DIP Facility) is consummated; or

(f) the filing by any Debtor of any motion or request in the Chapter 11 Cases or in any other legal proceeding seeking, or the entry by the Bankruptcy Court of, an order (i) directing the appointment of an examiner with expanded powers or a chapter 11 trustee, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Cases, or (iv) terminating or modifying the exclusive right of the Debtors to file a plan of reorganization under section 1121 of the Bankruptcy Code.

9. Assignments.

(a) Neither this DIP Commitment Letter, nor any rights or obligations hereunder, may be assigned by any Debtor to any Person without the prior written consent of the DIP Commitment Parties, and any attempted or purported assignment without such consent shall be null and void *ab initio*.

(b) Except in connection with the syndication of the DIP Facility in accordance with the DIP Syndication Procedures, as set forth above, or as otherwise permitted under the DIP Credit Agreement, no DIP Commitment Party may assign its rights or obligations with respect to its unfunded DIP Commitment.

10. Amendments. This DIP Commitment Letter may not be amended, or any provision hereof waived or modified, except by written agreement signed by the Debtors and the Required DIP Commitment Parties (which amendment, waiver or modification may be effected via email); provided, that any amendment or other modification hereof that affects the rights or obligations of the DIP Agent or the DIP Arranger shall require the consent of the DIP Agent or the DIP Arranger, as applicable.

11. Governing Law; Waiver of Jury Trial; Jurisdiction. This DIP Commitment Letter, and the rights and obligations of the parties hereunder, and any claim, controversy or dispute arising under or in connection with this DIP Commitment Letter or any of the Transactions, shall, in each case, be governed by, and construed in accordance with, the laws of the State of New York. Each party hereto irrevocably waives, to the fullest extent permitted by law, all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this DIP Commitment Letter or the Transactions or the actions of the parties hereto in the negotiation, performance or enforcement hereof. By its execution and delivery of this DIP Commitment Letter, each of the parties hereby irrevocably and unconditionally agrees that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this DIP Commitment Letter, or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in any federal or state court in the borough of Manhattan, the city of New York, and by execution and delivery of this DIP Commitment Letter, each of the parties hereby irrevocably accepts and submits itself to the nonexclusive jurisdiction of each such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing

consent to jurisdiction, following the commencement of the Chapter 11 Cases, each of the parties agrees that the Bankruptcy Court shall have exclusive jurisdiction with respect to any matter under or arising out of or in connection with this DIP Commitment Letter; provided, that the parties acknowledge that any appeals from the Bankruptcy Court may have to be heard by a court other than the Bankruptcy Court.

12. Counterparts. This DIP Commitment Letter may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same DIP Commitment Letter. Delivery of an executed counterpart of a signature page to this DIP Commitment Letter by facsimile or electronic transmission (e.g., "pdf") shall be as effective as delivery of a manually executed counterpart of this DIP Commitment Letter.

13. Entire Agreement. This DIP Commitment Letter sets forth the entire agreement among the parties with respect to the matters addressed herein and supersedes all prior communications, written or oral, with respect to the DIP Facility and the Transactions.

14. Termination. You may terminate this DIP Commitment Letter upon written notice to the DIP Arranger, the DIP Agent and the DIP Commitment Parties at any time, provided, that the provisions of, and agreements of the Debtors under, Section 2 (*Information; Representations and Warranties*), Section 3 (*Indemnification*), Section 4 (*DIP Facility Payments; Costs and Expenses*), Section 5 (*Confidentiality*), Section 6 (*No Third Party Reliance*), Section 7 (*Sharing Information; Absence of Fiduciary Relationship*), Section 11 (*Governing Law; Waiver of Jury Trial; Jurisdiction*) and this Section 14 of this DIP Commitment Letter shall survive, and shall remain in full force and effect notwithstanding, any termination or expiration of this DIP Commitment Letter, or completion of the arrangement provided by this DIP Commitment Letter or the occurrence of the Closing Date, except that, if the Closing Date occurs and the DIP Loan Documents shall be in full force and effect, the provisions of Section 3 (*Indemnification*), Section 4 (*DIP Facility Payments; Costs and Expenses*), Section 5 (*Confidentiality*) and Section 7 (*Sharing Information; Absence of Fiduciary Relationship*) shall be superseded by the terms of the DIP Loan Documents governing such matters, to the extent that such terms are at least as favorable to the DIP Commitment Parties, DIP Agent and DIP Arranger as the provisions of this DIP Commitment Letter.

15. PATRIOT Act Notification. The DIP Commitment Parties hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "**PATRIOT Act**"), the DIP Commitment Parties, DIP Agent, DIP Arranger and each DIP Lender is required to obtain, verify and record information that identifies the issuer and each guarantor under the DIP Facility, which information includes the name, address, tax identification number and other information regarding the issuer and each guarantor that will allow the DIP Commitment Parties, DIP Agent, DIP Arranger or DIP Lenders to identify the issuer and each guarantor in accordance with the PATRIOT Act and is effective as to each DIP Commitment Party, the DIP Agent, the DIP Arranger and each DIP Lender.

The DIP Commitment Parties are pleased to have been given the opportunity to assist you in connection with this financing.

Please indicate your acceptance of the provisions hereof by signing the enclosed copy of this DIP Commitment Letter and returning the same to the DIP Commitment Parties.

[Remainder of Page Intentionally Left Blank]

[DIP Commitment Parties' Signature Pages Redacted]

ACCEPTED AND AGREED AS OF THE DATE FIRST WRITTEN ABOVE:

AAC HOLDINGS, INC.

By: _____
Name: Andrew McWilliams
Title: Chief Executive Officer

AAC HEALTHCARE NETWORK, INC.
ADCARE CRIMINAL JUSTICE SERVICES, INC.
ADCARE HOSPITAL OF WORCESTER, INC.
ADCARE, INC.
ADCARE RHODE ISLAND, INC.
AMERICAN ADDICTION CENTERS, INC.
DIVERSIFIED HEALTHCARE STRATEGIES, INC.
FORTERUS HEALTH CARE SERVICES, INC.
GREEN HILL REALTY CORPORATION
LINCOLN CATHARINE REALTY CORPORATION
SAN DIEGO ADDICTION TREATMENT CENTER, INC.
TOWER HILL REALTY, INC.

By: _____
Name: Andrew McWilliams
Title: Sole Director

ADDICTION LABS OF AMERICA, LLC
B&B HOLDINGS INTL LLC
BEHAVIORAL HEALTHCARE REALTY, LLC
BHR ALISO VIEJO REAL ESTATE, LLC
BHR GREENHOUSE REAL ESTATE, LLC
BHR OXFORD REAL ESTATE, LLC
BHR RINGWOOD REAL ESTATE, LLC
CONCORDE REAL ESTATE, LLC
CONCORDE TREATMENT CENTER, LLC
GREENHOUSE TREATMENT CENTER, LLC
LAGUNA TREATMENT HOSPITAL, LLC
NEW JERSEY ADDICTION TREATMENT CENTER, LLC
OXFORD OUTPATIENT CENTER, LLC
OXFORD TREATMENT CENTER, LLC
RECOVERY FIRST OF FLORIDA, LLC
RI – CLINICAL SERVICES, LLC
RIVER OAKS TREATMENT CENTER, LLC
SAGENEX DIAGNOSTICS LABORATORY, LLC
SINGER ISLAND RECOVERY CENTER, LLC
SOBER MEDIA GROUP, LLC
SOLUTIONS TREATMENT CENTER, LLC

By: _____
Name: Andrew McWilliams
Title: Sole Manager

AAC DALLAS OUTPATIENT CENTER, LLC
AAC LAS VEGAS OUTPATIENT CENTER, LLC
ABTTC, LLC
CLINICAL REVENUE MANAGEMENT SERVICES, LLC
FITRX, LLC

By: American Addiction Centers, Inc.
Its: Sole Member

By:_____
Name: Andrew McWilliams
Title: Sole Director

REFERRAL SOLUTIONS GROUP, LLC
TAJ MEDIA, LLC

By: Sober Media Group, LLC
Its: Sole Member

By:_____
Name: Andrew McWilliams
Title: Sole Manager

RECOVERY BRANDS, LLC

By: Referral Solutions Group, LLC
Its: Sole Member

By: Sober Media Group, LLC
Its: Sole Member

By:_____
Name: Andrew McWilliams
Title: Sole Manager

THE ACADEMY REAL ESTATE, LLC

By: Behavioral Healthcare Realty, LLC
Its: Sole Member

By:_____
Name: Andrew McWilliams
Title: Sole Manager

GRAND PRAIRIE PROFESSIONAL GROUP, P.A.
LAS VEGAS PROFESSIONAL GROUP – CALARCO, P.C.
OXFORD PROFESSIONAL GROUP, P.C.
PALM BEACH PROFESSIONAL GROUP, PROFESSIONAL CORPORATION
PONTCHARTRAIN MEDICAL GROUP, A PROFESSIONAL CORPORATION
SAN DIEGO PROFESSIONAL GROUP, P.C.

By:_____
Name: Mark A. Calarco, D.O.
Title: Director

SCHEDULE I

DIP Commitment Parties and DIP Commitments

[Redacted]

EXHIBIT A

DIP Term Sheet

Execution Version

EXHBIT A
TO
DIP COMMITMENT LETTER

AAC HOLDINGS, INC.

SUPERPRIORITY SENIOR SECURED PRIMING DEBTOR-IN-POSSESSION CREDIT FACILITY

SUMMARY OF MATERIAL TERMS AND CONDITIONS

Capitalized terms used but not otherwise defined in this Summary of Material Terms and Conditions (this "DIP Term Sheet") shall have the meanings assigned thereto in the DIP Commitment Letter this DIP Term Sheet is attached to and, if not defined therein, in the Prepetition Senior Lien Credit Agreement (as defined below).

Borrower: AAC Holdings, Inc., a Nevada corporation (the "Borrower"), in its capacity as a debtor and debtor-in-possession in the Chapter 11 Cases.

Guarantors: Without duplication, (i) each Person that is a Guarantor (as defined in the Prepetition Senior Lien Credit Agreement) or that otherwise guarantees any of the Prepetition Secured Debt and (ii) each Person (other than the Borrower) that is a debtor and debtor-in-possession in the Chapter 11 Cases) (collectively, the "Guarantors" and, together with the Borrower, the "Loan Parties"), on a joint and several basis.

"Prepetition Secured Debt" means indebtedness or obligations arising in connection with one or more of the following:

(a) that certain Credit Agreement, dated as of March 8, 2019 (as modified from time to time prior to, and as in effect on, the Petition Date, the "Prepetition Senior Lien Credit Agreement", and the credit facility provided thereunder, the "Prepetition Senior Lien Facility", and all debt and other obligations thereunder, the "Prepetition Senior Lien Obligations"), by and among AAC Holdings, Inc., as borrower, the guarantors party thereto, the lenders party thereto (collectively, the "Senior Lenders") and Ankura Trust Company, LLC (as successor by assignment to Credit Suisse AG), as administrative agent (in such capacity, or its successors and assigns in such capacity, the "Senior Administrative Agent") and collateral agent (in such capacity, or its successors and assigns in such capacity, the "Senior Collateral Agent", and together with the Senior Administrative Agent, collectively, the "Senior Agent"); and

(b) that certain Credit Agreement, dated as of June 30, 2017 (as modified from time to time prior to, and as in effect on, the Petition Date, the "Prepetition Junior Lien Credit Agreement"), by and among the Borrower, the guarantors party thereto, the lenders from to time to time party thereto (collectively, the "Junior Lenders") and Ankura Trust Company, LLC (as successor by assignment to Credit Suisse AG), as administrative agent (in such capacity, or its successors and

assigns in such capacity, the "Junior Administrative Agent") and as collateral agent (in such capacity, or its successors and assigns in such capacity, the "Junior Collateral Agent", and together with the Junior Administrative Agent, collectively, the "Junior Agent").

DIP Agent: Ankura Trust Company, LLC will act as administrative agent (in such capacity, the "DIP Administrative Agent") and collateral agent (in such capacity, the "DIP Collateral Agent", and together with the DIP Administrative Agent, collectively, the "DIP Agent") for the DIP Lenders with respect to the DIP Facility and will perform the duties customarily associated with such roles.

DIP Lenders: On the Closing Date (as defined below), the lenders under the DIP Facility (each a "DIP Lender", and, collectively, the "DIP Lenders") shall be the DIP Commitment Parties (and/or one or more of their respective designated affiliates, and/or related or managed funds or accounts in accordance with the DIP Commitment Letter).

Type and Amount of the DIP Facility: A multi-draw superpriority senior secured priming debtor-in-possession term loan credit facility (the "DIP Facility"), in an aggregate principal amount of up to $62.5 million.

Borrowings under the DIP Facility (the "DIP Loans") shall, subject to the borrowing conditions set forth herein, in the DIP Credit Agreement and in the applicable DIP Order, be incurred as follows:

(a) in one draw on the Closing Date, DIP Loans in an aggregate principal amount of up to $25.5 million (the "Initial Draw"); and

(b) following entry of the Final DIP Order, DIP Loans in one additional draw in an aggregate principal amount of up to $37 million (the "Final Draw", and together with the Initial Draw, the "DIP Draws") .

Notwithstanding anything to the contrary, in no event shall (i) any DIP Commitment Party be required to fund DIP Loans in an aggregate principal amount exceeding its DIP Loan Commitments (as set forth on Schedule I to the DIP Commitment Letter, as in effect on the date hereof) and (ii) the aggregate principal amount of outstanding DIP Loans exceed the aggregate DIP Commitments (as set forth on Schedule I to the DIP Commitment Letter, as in effect on the date hereof). Each DIP Lender's DIP Commitment shall automatically and permanently be reduced, on a dollar-for-dollar basis, by the amount of DIP Loans funded by it.

Once repaid or prepaid, no portion of the DIP Loans may be reborrowed.

Amortization: None.

Interest: At all times prior to the occurrence of an Event of Default (as defined below), interest on the DIP Loans shall accrue at a per annum rate equal to 18%; provided, that (i) the portion of such interest accruing at a per annum rate equal to 10% shall be payable in cash ("Cash Interest Rate") and (ii) the portion of such interest accruing at a per annum rate equal to 8% shall be payable in kind.

All interest shall be paid monthly, in arrears.

Upon the occurrence and during the continuance of an Event of Default, unless otherwise waived by the Required DIP Lenders or the DIP Agent (acting at the direction of the Required DIP Lenders), the Cash Interest Rate on all DIP Obligations (including interest on overdue principal, interest and other amounts) shall accrue at an additional 2% per annum.

All interest shall be computed on the basis of a three hundred sixty- (360-) day year for the actual number of days elapsed.

Original Issue Discount: The DIP Loans shall be issued at 97.00% of par value, which shall constitute an original issue discount.

Payments and Fees: Each DIP Commitment Party shall receive on the Closing Date a commitment payment, payable in cash, in an amount equal to 6.0% of such DIP Commitment Party's DIP Loan Commitment (as set forth on Schedule I to the DIP Commitment Letter, as in effect on the date hereof) (the "DIP Commitment Payment"), which DIP Commitment Payment shall be deemed earned in full on the date the DIP Commitment Letter is fully executed and shall be payable in accordance with such other terms as shall be set forth in the DIP Credit Agreement.

The DIP Agent shall receive such fees and other amounts as are agreed to by the DIP Agent and the Loan Parties (with the Required DIP Commitment Parties', consent) and set forth in the DIP Agency Fee Letter.

Documentation: The DIP Facility will be governed by, and documented pursuant to, and the DIP Obligations shall be secured and guaranteed pursuant to terms set forth in, as applicable, a credit agreement (the "DIP Credit Agreement"), an interim order entered by the Bankruptcy Court approving the DIP Facility on an interim basis (the "Interim DIP Order"), a final order entered by the Bankruptcy Court approving the DIP Facility on a final basis (the "Final DIP Order", and together with the Interim DIP Order, the "DIP Orders"), and such other definitive agreements, documents and instruments (including, as applicable, the related notes, security agreements, collateral agreements, pledge agreements, control agreements, guarantees and mortgages) as are, in each case, usual and customary for debtor-in-possession financings of this type, necessary or desirable to effectuate the financing contemplated hereby and/or otherwise required by the Required DIP Commitment Parties or the DIP Agent (such agreements, documents and instruments, together with the DIP Credit Agreement and the DIP Orders, collectively, the "DIP Loan Documents"); provided, that, each DIP Loan Document shall be in form and substance satisfactory to the Required DIP Commitment Parties and, subject to the foregoing, shall be based on the corresponding definitive documentation governing the Prepetition Senior Lien Obligations (including, for the avoidance of doubt, the Prepetition Senior Lien Credit Agreement), subject to such modifications (in each case, satisfactory to the Required DIP Commitment Parties) as are (i) required to give effect to, and reflect, the terms and provisions set forth in, this DIP Term Sheet and (ii) usual and customary for debtor-in-possession financings, and/or otherwise necessary or desirable to effectuate the financing contemplated hereby and/or to reflect the

capital structure and operational requirements of the Loan Parties (the foregoing standards, the "Documentation Principles").

Closing Date: The business day on or after the date of entry of the Interim DIP Order on which all of the conditions precedent to effectiveness and the Initial Draw set forth in the DIP Credit Agreement are satisfied or waived by the Required DIP Commitment Parties in accordance with the DIP Credit Agreement (such date, the "Closing Date").

Maturity: All unfunded DIP Commitments will terminate, and all DIP Obligations (as defined below) will be immediately due and payable in full in cash on the earliest of: (a) the date that is nine (9) months after the Closing Date (the "Maturity Date"); (b) if the Final DIP Order has not been entered by the Bankruptcy Court on or before the date that is thirty-five (35) calendar days after the Petition Date (which date may be extended by the Required DIP Lenders), on such date; (c) the date of consummation of any sale of all or substantially all of the assets of the Loan Parties pursuant to section 363 of the Bankruptcy Code; (d) the date of acceleration of the DIP Loans and the termination of the DIP Commitments pursuant to the terms of the DIP Credit Agreement; and (e) the effective date of a plan of reorganization in the Chapter 11 Cases (the "Effective Date") (such earliest date, the "Termination Date").

Use of Proceeds: Proceeds of the DIP Loans will be used only for the following purposes, in each case, in accordance with and subject to a budget acceptable to the Required DIP Lenders (the "Approved Budget"), subject to permitted variances, then in effect: (a) the general corporate and working capital purposes of the Loan Parties; (b) the payment of interest, fees, costs and expenses related to the DIP Facility (including the fees and expenses of (i) Stroock & Stroock & Lavan LLP ("Stroock"), counsel to the Required DIP Lenders, (ii) Young Conaway Stargatt & Taylor LLP ("Young Conaway"), Delaware counsel to the Required DIP Lenders, (iii) such other local and special counsel to the Required DIP Lenders, (iv) Kilpatrick Townsend & Stockton LLP ("Kilpatrick"), counsel to the DIP Agent, (v) Richards Layton & Finger, PA ("RLF"), Delaware counsel to the DIP Agent, (vi) FTI Consulting, Inc. ("FTI"), financial advisor to the Required DIP Lenders, (vii) Moelis & Company ("Moelis"), investment banker to the Required DIP Lenders, and (viii) such other consultants, financial and other advisors, accountants and other professionals as required by the Required DIP Lenders (together with Stroock, Young Conaway, FTI, Moelis and each of the other persons described in foregoing clauses (i) through (vi), collectively, the "DIP Lender Advisors", and all fees, expenses and disbursements thereof, the "DIP Lender Advisor Expenses")); (c) to make all permitted payments of costs of administration of the Chapter 11 Cases; (d) to satisfy any adequate protection obligations owing under the DIP Orders, as set forth below; and (e) to make any other payments permitted by the Approved Budget (including the payment of interest, fees, costs and expenses of professionals retained by the Loan Parties).

No proceeds of the DIP Facility shall be used to investigate, challenge, object to, contest or raise any defense to, the validity, security, perfection, priority, extent or enforceability of any amount due under or the liens or claims granted under or in connection with the Prepetition Secured Debt; provided, however, that the DIP Orders shall provide for a customary investigation budget of not more than

$25,000 that may be utilized by an official committee of unsecured creditors appointed in the Chapter 11 Cases to investigate the validity, security, perfection, priority, extent or enforceability of any amount due under or the liens or claims granted under or in connection with the Prepetition Secured Debt.

Mandatory Prepayments: The DIP Credit Agreement will contain mandatory prepayment provisions determined in accordance with the Documentation Principles.

Voluntary Prepayments: The DIP Credit Agreement will contain optional prepayment provisions determined in accordance with the Documentation Principles.

Termination Payment: If (A) all or any portion of the DIP Loans is prepaid, repaid or otherwise paid for any reason (including as a result of (i) the occurrence of the Termination Date, (ii) any voluntary or mandatory prepayment or (iii) any payment following acceleration or after a Default or Event of Default) or (B) the Termination Date occurs or the DIP Facility is accelerated for any reason (including as a result of an Event of Default, by operation of law or otherwise), the Loan Parties shall be required to pay to each DIP Lender its pro rata share of a cash amount equal to (x) in the case of clause (A), 5.00% of the aggregate principal amount of DIP Loans subject to the applicable payment and (y) in the case of clause (B), 5.00% of the aggregate principal amount of DIP Loans outstanding.

Priority and Security under DIP Facility: All obligations of the Borrower and the Guarantors to the DIP Agent and the DIP Lenders under the DIP Facility, including, without limitation, all principal and accrued interest, premiums (if any), costs, fees, expenses and any other amounts due under the DIP Facility (collectively, the "DIP Obligations"), shall be secured by the following continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected liens on (the "DIP Liens") and security interests in all assets and properties (whether tangible, intangible, real, personal, or mixed) of the Loan Parties (other than certain Excluded Assets to be defined in the Credit Agreement), whether owned by or owing to the Loan Parties on the Petition Date, or acquired after the Petition Date, or arising in favor of, the Loan Parties (including under any trade names, styles, or derivations thereof), and whether owned or consigned by or to, or leased from or to, or thereafter acquired by, the Loan Parties, and regardless of where located, before or after the Petition Date, including, without limitation, subject to entry of the Final DIP Order, all proceeds of claims and causes of action arising under chapter 5 of the Bankruptcy Code (the "DIP Collateral"):

(a) secured pursuant to section 364(c)(2) of the Bankruptcy Code by a valid, enforceable, non-avoidable and automatically and fully perfected first-priority DIP Lien on, and security interest in, all DIP Collateral that is not subject to a perfected, enforceable and non-avoidable lien or security interest as of the Petition Date, subject only to the Carve-Out;

(b) secured pursuant to section 364(c)(3) of the Bankruptcy Code by a valid, enforceable, non-avoidable and automatically and fully perfected junior DIP Lien on, and security interest in, all DIP Collateral that is subject to a valid, perfected, enforceable and unavoidable lien or security interest on the Petition Date (other than a lien securing the Prepetition Secured Debt) or subject to a lien or security interest in existence on the Petition Date that

is perfected subsequent thereto as permitted by Bankruptcy Code §546(b) (the "Permitted Prior Senior Liens"), in each case, that is permitted to be senior to the DIP Liens pursuant to the DIP Orders, subject only to the Carve-Out and the Permitted Prior Senior Liens; and

(c) secured pursuant to section 364(d)(1) of the Bankruptcy Code by a valid, enforceable, non-avoidable and automatically and fully perfected first priority, senior priming DIP Lien on, and security interest in all DIP Collateral that also constitutes collateral securing the Prepetition Secured Debt, subject only to the Carve-Out and the Permitted Prior Senior Liens.

The DIP Liens shall be effective and perfected as of the entry of the Interim DIP Order and without requiring the execution, filing or recording of mortgages, security agreements, pledge agreements, control agreements, financing statements or other agreements or instruments, or the taking of any action to obtain possession or control of any collateral. Notwithstanding anything to the contrary, the Required DIP Lenders may, in their sole discretion, require the execution, filing or recording of any or all of the documents described in the preceding sentence and/or the taking of any action so that the DIP Collateral Agent obtains possession or control of any collateral.

Superpriority DIP Claims: All of the claims of the DIP Agent and the DIP Lenders on account of the DIP Obligations shall be entitled to the benefits of section 364(c)(1) and 364(e) of the Bankruptcy Code, and shall have superpriority over any and all administrative expenses of the kind that are specified in sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113, 1114 or any other provisions of the Bankruptcy Code (the "Superpriority DIP Claims"), subject only to the Carve-Out. The Superpriority DIP Claims shall have recourse against each of the Debtors on a joint and several basis, and shall be payable from and have recourse to all DIP Collateral.

Carve-Out: The Carve-Out shall include the following: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under 28 U.S.C. § 1930(a)(6); (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an amount not to exceed $10,000; (iii) prior to the delivery of a Carve Out Notice (as defined below), to the extent allowed by the Bankruptcy Court (whether such allowance occurs before or after the delivery of a Carve-Out Notice) and subject to the Approved Budget, all accrued and unpaid fees and expenses incurred by professionals retained by the Debtors and one official committee of creditors (the "Estate Professionals") before the delivery of a Carve-Out Notice (in each case, less prepetition retainers received by such Case Professionals and not applied to the fees, disbursements, costs and expenses set forth in this clause (iii)); provided, however, that if an Estate Professional's actual fees and expenses incurred during any month (A) are less than the amount budgeted for such Estate Professional in the Approved Budget for such month, then the difference between the budgeted amount and the actual amount shall be added to the budgeted amounts for such Estate Professional for the immediately following month for the purposes of calculating the Carve-Out under this clause (iii), and (B) if an Estate Professionals' actual fees and expenses incurred during any month exceed the amount budgeted for such Estate Professional in the Approved

Budget, then any such excess amounts shall be included in the Carve-Out pursuant to this clause (iii) if, and to the extent that, the aggregate amount incurred by such Estate Professional pursuant to this clause (iii) does not exceed the aggregate amount budgeted for such Estate Professional for the entire term shown in the Approved Budget; and (iv) after the date of the delivery of a Carve Out Notice, to the extent allowed by the Bankruptcy Court, all unpaid fees and expenses incurred by (A) professionals retained by the Debtors in an aggregate amount not to exceed $250,000 and (B) one official committee of unsecured creditors in an aggregate amount not to exceed $25,000. For purposes of the foregoing, "Carve Out Notice" shall mean a written notice delivered by the DIP Agent at the direction of the Required DIP Lenders to the Loan Parties and their counsel, the United States Trustee, and lead counsel to any official committee, which notice may be delivered following the occurrence of an Event of Default.

Conditions Precedent to Closing and DIP Draws: The DIP Credit Agreement will contain conditions precedent to the effectiveness of the DIP Loan Documents and the availability of the DIP Loans at each applicable draw determined in accordance with the Documentation Principles, the satisfaction (or waiver) of which conditions precedent shall be determined by the Required DIP Commitment Parties (in connection with the Closing and the Initial Draw) or the Required DIP Lenders (in connection with any subsequent DIP Draw).

Representations and Warranties: The DIP Credit Agreement will contain representations and warranties with respect to the Loan Parties and their subsidiaries determined in accordance with the Documentation Principles.

Financial & Other Reporting: The DIP Credit Agreement will contain financial and other reporting covenants determined in accordance with the Documentation Principles, including, without limitation, budget and cash flow reporting and variance analysis requirements.

Chapter 11 Cases Milestones: The Loan Parties shall be required to comply with certain milestones related to the Loan Parties' Chapter 11 Cases as are set forth on Annex A hereto and such other milestones as may be included in the DIP Credit Agreement and the Restructuring Support Agreement, as determined by the Required DIP Commitment Parties in their sole discretion (collectively, the "Milestones").

Affirmative and Negative Covenants: The DIP Credit Agreement will contain affirmative and negative covenants determined in accordance with the Documentation Principles, including, without limitation, (a) budget compliance and (b) compliance with the Milestones. For the avoidance of doubt, the various baskets contained in the Priming Credit Agreement for, among other things, incurrence of debt, liens, restricted payments, investments and assets sales, will not be available under the DIP Facility.

Events of Default and Remedies: The DIP Credit Agreement will contain defaults and events of default (each, an "Event of Default") determined in accordance with the Documentation Principles, including, without limitation:

1. failure by the Loan Parties to pay (i) principal when due under the DIP Facility and (ii) interest or other amounts within five (5) business days of when due under the DIP Facility;

2. failure by the Debtors to comply with the Milestones;
3. failure to comply with (i) affirmative covenants or (ii) negative covenants, subject to agreed-upon cure periods with respect to certain covenants;
4. non-performance or breach of representations, warranties and other obligations under the DIP Credit Agreement or the other DIP Loan Documents (subject to such grace periods as may be agreed to by the Required DIP Commitment Parties and set forth in the DIP Credit Agreement);
5. occurrence of a Change of Control (to be defined in a manner consistent with the Documentation Principles);
6. the Debtors shall institute any proceeding or investigation or support the same by any other person who may challenge the status and/or validity of the DIP Liens or any liens securing the Prepetition Senior Lien Obligations or any other Prepetition Debt;
7. termination of the Restructuring Support Agreement;
8. dismissal of the Chapter 11 Cases which does not provide for the payment in full in cash of all obligations under the DIP Facility;
9. conversion of the Chapter 11 Cases or an appointment of a trustee or examiner (or a Loan Party seeking such relief);
10. termination of exclusivity;
11. payment of any prepetition indebtedness other than as provided in any "first day order" in form and substance acceptable to the Required DIP Lenders or as otherwise consented to by the Required DIP Lenders;
12. the filing by the Debtors of a chapter 11 plan of reorganization that is not an Acceptable Plan (as defined in Annex A hereto);
13. the Debtors not having a chief restructuring officer acceptable to the Required DIP Lenders; and
14. other events of default as determined appropriate by the Required DIP Commitment Parties.

The DIP Agent and the DIP Lenders shall have customary remedies determined in accordance with the Documentation Principles and such remedies as are otherwise determined appropriate by the Required DIP Lenders, including, without limitation, without further order from the Bankruptcy Court, the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, upon the occurrence and during the continuance of any Event of Default, all rights and remedies provided for in the DIP Loan Documents, and to take any or all such actions without further order of or application to the Bankruptcy Court.

The Loan Parties shall waive any right to seek relief under the Bankruptcy Code, including under section 105 thereof, to the extent such relief would restrict or impair the rights and remedies of the DIP Agent and the DIP Lenders set forth in the DIP Orders and in the DIP Loan Documents.

Adequate Protection: The holders of the Prepetition Senior Lien Obligations will receive: payment of all accrued and unpaid interest as of the Closing Date, post-petition and replacement liens (junior to the DIP Liens), superpriority claims, payment of professional fees and current cash interest at the non-default rate (without prejudice to the inclusion of default interest in the allowed claim amount for

holders of the Prepetition Senior Lien Obligations).

The holders of the Prepetition Junior Lien Obligations will receive: post-petition and replacement liens (junior to the DIP Liens, the adequate protection liens granted to the Senior Agent and the Senior Lenders and the liens securing the Prepetition Senior Lien Obligations), superpriority claims and payment of professional fees.

Required DIP Lenders: As of any date of determination, DIP Lenders holding a majority of the sum of (i) the aggregate principal amount of the DIP Loans outstanding on such date *plus* (ii) the aggregate unfunded DIP Commitments in effect on such date (the "Required DIP Lenders").

Assignments: The DIP Credit Agreement shall contain assignment provisions determined in accordance with the Documentation Principles; provided, that each assignee shall be required to become a party to the Restructuring Support Agreement prior to or concurrently with acquiring any DIP Loans.

Waiver of Marshalling, 506(c) Claims and 552(b) Exception: The DIP Orders shall (subject to entry of the Final DIP Order in the case of the Interim DIP Order) (i) provide that in no event shall the DIP Agent, the DIP Lenders, the Senior Agent or the Junior Agent be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the enforcement of remedies, (ii) approve the waiver of all 506(c) claims, and (iii) approve a waiver of the "equities of the case" exception under section 552(b) of the Bankruptcy Code.

Miscellaneous: The DIP Credit Agreement and the DIP Orders will, among other provisions deemed appropriate by the Required DIP Commitment Parties, also contain the following, each of which shall be in form and substance satisfactory to the Required DIP Commitment Parties:

(a) A provision providing an indemnification from the Loan Parties to the DIP Agent and each of the DIP Lenders determined in accordance with the Documentation Principles.

(b) A provision providing for the reimbursement of DIP Lender Advisor Expenses and, without duplication, the fees, costs and expenses of the DIP Agent and each of the DIP Lenders determined in accordance with the Documentation Principles and providing, among other things, for reimbursement of the fees, costs and expenses of the DIP Lender Advisors and DIP Agent Advisors.

(c) Provisions providing that the Loan Parties shall stipulate (and release and waive any claim, challenge or cause of action) to the allowed amount of, and the validity, enforceability, perfection and priority of the liens and obligations arising under, the Prepetition Credit Agreements, and such stipulation shall be binding on other Persons, subject to a challenge period for the official committee of unsecured creditors and other parties in interest (other than the Loan Parties).

(d) A provision that, in connection with any sale of any of the Loan Parties'

assets under section 363 of the Bankruptcy Code or under a plan of reorganization, (1) the DIP Agent, at the direction of the Required DIP Lenders, shall have the absolute right to credit bid all or a portion of the DIP Obligations; and (2) the Senior Agent and the Junior Agent, at the direction of the applicable Required Prepetition Lenders, shall have the absolute right to credit bid all or a portion of the Prepetition Obligations.

(e) Yield protection provisions determined in accordance with the Documentation Principles (including, without limitation, provisions relating to compliance with risk-based capital guidelines, increased costs and payments free and clear of withholding taxes).

Governing Law: Except as governed by the Bankruptcy Code, New York.

Counsel to the DIP Lenders: Stroock & Stroock & Lavan LLP

ANNEX A

Milestones

The Loan Parties shall be required to comply with the following Milestones:

1. on or before June 21, 2020, the Petition Date shall have occurred;

2. on or before the date that is five (5) calendar days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order, in form and substance acceptable to the Required DIP Commitment Parties;

3. on or before the date that is fifteen (15) calendar days after the Petition Date, the Loan Parties shall have filed with the Bankruptcy Court a motion, in form and substance reasonably acceptable to the Required DIP Lenders, approving the bidding procedures (the "Acceptable Bidding Procedures") in connection with a sale of substantially all of the Loan Parties' assets;

4. on or before the date that is thirty-five (35) calendar days after the Petition Date, the Loan Parties shall have filed with the Bankruptcy Court (a) a plan of reorganization in form and substance acceptable to the Required DIP Lenders, in their sole discretion (an "Acceptable Plan") (it being understand that a plan of reorganization consistent with the Restructuring Term Sheet shall constitute an Acceptable Plan), (b) a disclosure statement in respect of such Acceptable Plan in form and substance reasonably acceptable to the Required DIP Lenders in their sole discretion (the "Acceptable Disclosure Statement"), (c) a motion, in form and substance reasonably acceptable to the Required DIP Lenders, to approve solicitation of such Acceptable Plan;

5. on or before the date that is thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered the Final DIP Order, in form and substance acceptable to the Required DIP Lenders;

6. on or before the date that is forty (40) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Acceptable Bidding Procedures, in form and substance reasonably acceptable to the Required DIP Lenders;

7. on or before the date that is sixty-five (65) calendar days following the Petition Date, the Bankruptcy Court shall have entered an order approving the Acceptable Disclosure Statement, including the solicitation of an Acceptable Plan, in form and substance reasonably acceptable to the Required DIP Lenders;

8. on or before the date that is one hundred (110) calendar days following the Petition Date, the Bankruptcy Court shall have entered an order confirming the Acceptable Plan, in form and substance acceptable to the Required DIP Lenders; and

9. on or before the date that is one hundred twenty-five (125) calendar days following the Petition Date, the effective date of the Acceptable Plan shall have occurred.

Exhibit C

Corporate Organization Chart

American Addiction Centers

Entity Key:

Treatment Facility	Billing and Collections
Non-Operating	Media
Real Estate	Laboratory or Treatment Facility (Gov. Payors)

(*) D/B/A for sober lodge/hotel/ cabins locations only

- AAC Holdings, Inc. (NV) FEIN: 35-2496142
  - American Addiction Centers, Inc. (NV) FEIN: 20-8623320
    - AAC Dallas Outpatient Center, LLC d/b/a Greenhouse Outpatient Center (DE) FEIN: 80-0966827
    - AAC Las Vegas Outpatient Center, LLC d/b/a Desert Hope Outpatient Center (DE) FEIN: 90-1035381
    - ABTTC, LLC (CA) FEIN: 20-0897601
    - Concorde Treatment Center, LLC d/b/a Desert Hope Center (NV) FEIN: 90-0796483
    - FitRx, LLC (TN) FEIN: 45-3305410
    - Recovery First of Florida, LLC d/b/a Recovery First and Recovery First Fort Lauderdale East (DE) FEIN: 47-2553005
    - Forterus Health Care Services, Inc. (DE) FEIN: 26-4514758
    - Greenhouse Treatment Center, LLC d/b/a The Greenhouse (TX) FEIN: 45-2974402
    - Laguna Treatment Hospital, LLC (DE) FEIN: 47-4120830
    - New Jersey Addiction Treatment Center, LLC d/b/a Sunrise House (DE) FEIN: 47-3317108
    - Oxford Outpatient Center, LLC (DE) FEIN: 82-0650237
    - Oxford Treatment Center, LLC (DE) FEIN: 47-3987853
    - River Oaks Treatment Center, LLC (DE) FEIN: 47-3780640
    - San Diego Addiction Treatment Center, Inc. (DE) FEIN: 27-4301719
    - Solutions Treatment Center, LLC d/b/a Solutions Recovery (DE) FEIN: 81-0798175
    - B&B Holdings Intl LLC (FL) FEIN: 27-1938549
      - Singer Island Recovery Center LLC (FL) FEIN: 27-3933015
    - Behavioral Healthcare Realty, LLC (DE) FEIN: 46-1302055
      - BHR Aliso Viejo Real Estate, LLC d/b/a Resolutions San Diego (*) (DE) FEIN: 47-3122910
      - BHR Greenhouse Real Estate, LLC d/b/a Resolutions Arlington (*) (TX) FEIN: 45-2974295
      - BHR Oxford Real Estate, LLC d/b/a Resolutions Oxford (*) (DE) FEIN: 47-4940023
      - BHR Ringwood Real Estate, LLC d/b/a Resolutions Franklin (*) (DE) FEIN: 47-3130565
      - Concorde Real Estate, LLC d/b/a Resolutions Las Vegas (*) (NV) FEIN: 45-4147890
      - The Academy Real Estate, LLC (DE) FEIN: 46-2579789
    - Clinical Revenue Management Services, LLC (TN) FEIN: 45-4188103
    - Sober Media Group, LLC (DE) FEIN: 47-4554655
      - Taj Media LLC (CA) FEIN: 20-3777047
      - Referral Solutions Group, LLC (CA) FEIN: 27-0707817
        - Recovery Brands, LLC (DE) FEIN: 80-0768920
  - AAC Healthcare Network, Inc. (DE) FEIN: 81-4260677
    - Addiction Labs of America, LLC (DE) FEIN: 46-2591133
    - RI – Clinical Services, LLC (DE) FEIN: 47-2756291
    - Sagenex Diagnostics Laboratory, LLC (DE) FEIN: 81-1247900
    - AdCare, Inc. (MA) FEIN: 04-2897005
      - Diversified Healthcare Strategies, Inc. (MA) FEIN: 04-3053809
      - Green Hill Realty Corporation (MA) FEIN: 04-2964951
      - Lincoln Catharine Realty Corporation (MA) FEIN: 27-0165998
      - Tower Hill Realty, Inc. (RI) FEIN: 47-1070039
      - AdCare Criminal Justice Services, Inc. (MA) FEIN: 04-3051653
      - AdCare Hospital of Worcester, Inc. (MA) FEIN: 04-2053042
      - AdCare Rhode Island, Inc. (RI) FEIN: 47-1062188

Managed Professional Groups**

- San Diego Professional Group, P.C. (CA) FEIN: 46-1069334
- Palm Beach Professional Group, Professional Corporation (FL) FEIN: 46-3377608
- Pontchartrain Medical Group, A Professional Corporation (LA) FEIN: 81-1711271
- Brentwood Professional Group, P.C. (TN) FEIN: 45-3180013 (Not a Debtor)
- Grand Prairie Professional Group, P.A. (TX) FEIN: 45-5032102
- Oxford Professional Group, P.C. (MS) FEIN: 47-4858234
- Las Vegas Professional Group - Calarco, P.C. (NV) FEIN: 46-1615901

**American Addiction Centers, Inc. provides management, administrative, and consulting services to the Managed Professional Groups' medical practices and various systems designed to support the medical practices, including but not limited to billing and collections.

Exhibit D

Disclosure Statement Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648
Debtors.	(Jointly Administered)
	Ref. Docket No. 193

ORDER (I) APPROVING ADEQUACY OF DISCLOSURE STATEMENT, (II) APPROVING SOLICITATION AND NOTICE PROCEDURES FOR CONFIRMATION OF DEBTORS' PLAN OF REORGANIZATION, (III) APPROVING BALLOT AND NOTICE FORMS IN CONNECTION THEREWITH, (IV) SCHEDULING CERTAIN DATES WITH RESPECT THERETO, AND (V) GRANTING RELATED RELIEF

This matter coming before this Court upon the motion (the "Motion"),[2] filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), pursuant to sections 105, 363, 1125, 1126, and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), Rules 2002, 3016, 3017, 3018, and 3020 of the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2002-1 and 3017-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), (i) approving the adequacy of the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* attached hereto as **Exhibit A** (as approved by this Order, the "Disclosure Statement"), (ii) approving the solicitation and notice procedures with respect to confirmation of the Plan, (iii) approving the forms of Ballots and notices in connection therewith, (iv) approving the forms of Non-Voting Status Notices, (v) scheduling certain dates with respect thereto, and (vi) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other or further notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.

I. Approval of the Disclosure Statement and Disclosure Statement Hearing Notice

2. The Disclosure Statement is hereby approved as providing Holders of Claims entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan in accordance with section 1125(a)(1) of the Bankruptcy Code. The Debtors are authorized to distribute, or cause to be distributed, the Disclosure Statement and the Solicitation Packages to solicit votes on, and pursue confirmation of, the Plan.

3. The Disclosure Statement (including all applicable exhibits thereto) provides Holders of Claims, Holders of Interests, and other parties in interest with sufficient notice of the injunction, exculpation, and release provisions including the Third Party Release contained in Article X.F of the Plan, in satisfaction of the requirements of Bankruptcy Rule 3016(c), and the Asset Sale(s), in satisfaction of the requirements of Bankruptcy Rules 2002 and 6004.

4. The Disclosure Statement Hearing Notice is approved. The procedures set forth herein and subsequently followed by the Debtors regarding notice to all parties in interest of the time, date, and place of the Disclosure Statement Hearing and the deadline for filing objections to the Disclosure Statement and service of the Disclosure Statement Hearing Notice, provided due, proper, and adequate notice and complied with Bankruptcy Rules 2002, 3017, and 9006 and Local Rules 2002-1 and 3017-1, and 9006-1.

II. Approval of the Solicitation and Voting Procedures

5. The Debtors shall solicit, receive, and tabulate votes to accept the Plan in accordance with the Solicitation and Voting Procedures attached hereto as Schedule 1, which are hereby approved in their entirety.

III. Approval of the Solicitation Package and Timeline for Soliciting Votes and the Procedures for Confirming the Plan

A. Approval of Certain Dates and Deadlines with Respect to the Plan and Disclosure Statement

6. The following dates are hereby established (subject to modification as necessary) with respect to the solicitation of votes on the Plan and confirming the Plan:

Event	Date	Description
Voting Record Date	August 26, 2020	Date for determining (i) which Holders of Claims in the Voting Classes (as defined herein) are entitled to vote to accept or reject the Plan and (ii) whether Claims have been properly assigned or transferred to an assignee under Bankruptcy Rule 3001(e) such that the assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim (the "Voting Record Date").
Disclosure Statement Hearing	August 31, 2020, at 11:00 A.M., prevailing Eastern Time	Date of the hearing at which the Court will consider approval of the Debtors' Disclosure Statement pursuant to section 1125 of the Bankruptcy Code.
Solicitation Deadline	September 3, 2020	Deadline by which the Debtors must (i) distribute Non-Voting Status Notices to Holders of Claims and Interests not entitled to vote to accept or reject the Plan, (ii) Solicitation Packages, including Ballots, to Holders of Claims entitled to vote to accept or reject the Plan, and (iii) serve the Sale/Confirmation Hearing Notice on parties in interest (the "Solicitation Deadline").
Publication Deadline	As soon as reasonably practicable after entry of this Order	Deadline by which the Debtors submit the Sale/Confirmation Hearing Notice in a format modified for publication (the "Publication Notice").

Event	Date	Description
Cure Notice	September 17, 2020	Date by which the Debtors will send the Cure Notice to all counter parties to applicable Executory Contracts and Unexpired Leases.
Deadline for Debtors to File Claim Objections For Voting Purposes	September 17, 2020	Deadline for Debtors to file any claim objections for purposes of voting on the Plan.
Deadline for Debtors to File Notice of Election	September 17, 2020	Deadline for Debtors to file a notice (consistent with the election of the Consenting Lenders) indicating whether the Debtors will proceed with an Entire Company Asset Sale or a Reorganization Transaction.
Adequate Assurance Information Notice	September 22, 2020	In the event of one or more Asset Sales, the date by which the Debtors will file a notice of winning bidder(s) and send the Adequate Assurance Information Notice to counterparties to Executory Contracts and Unexpired Leases to be assumed and assigned to the Buyer(s) in connection with such Asset Sale(s).
Plan Supplement Filing Deadline	September 24, 2020	Last date by which the Debtors must file the Plan Supplement (as defined herein).
Voting/Opt-Out Deadline; Deadline for Motion to Estimate Claims for Voting Purposes	October 1, 2020, at 4:00 P.M., prevailing Eastern Time	Deadline by which (a) certain Holders of Claims may vote to accept or reject the Plan pursuant to Bankruptcy Rule 3017(c), and by which all Ballots must be properly executed, completed, and delivered as specified in the Solicitation and Voting Procedures, (b) certain Holders of Claims may choose to "opt-out" of the Third Party Release set forth in Article X.F of the Plan by properly executing, completing, and delivering "opt-out" forms as specified in the Solicitation and Voting Procedures and (c) creditors must file motions to estimate claims for voting purposes.

Event	Date	Description
Assumption/Cure/Adequate Assurance Objection Deadline	October 1, 2020, at 4:00 P.M., prevailing Eastern Time	Deadline by which counterparties to applicable Executory Contracts and Unexpired Leases may file objections to any assumption (and assignment if applicable) of an Executory Contract or Unexpired Lease and/or related cure amounts and/or adequate assurances proposed in connection therewith.
Sale/Plan Objection Deadline	October 1, 2020, at 4:00 P.M., prevailing Eastern Time	Deadline by which parties in interest may file objections to Confirmation of the Plan or the potential Sale Transaction (the "Sale/Plan Objection Deadline").
Deadline to File Sale/Confirmation Brief; Deadline to File Objections to Motions to Estimate Claims for Voting Purposes	October 9, 2020, at 4:00 P.M., prevailing Eastern Time	Deadline by which the Debtors shall file (a) their brief in support of Confirmation of the Plan and the potential Sale Transaction in response to objections thereto (the "Sale/Confirmation Brief Deadline") and (b) objections to any motions to estimate claims for voting purposes.
Deadline to File Voting Report	October 9, 2020, at 4:00 P.M., prevailing Eastern Time	Deadline by which the report tabulating the voting on the Plan (the "Voting Report") shall be filed with the Court.
Sale/Confirmation Hearing Date	October 14, 2020, at 10:00 A.M., prevailing Eastern Time	Date of the hearing at which the Court will consider Confirmation of the Plan and any Asset Sales (the "Sale/Confirmation Hearing Date").

B. Approval of the Form and Distribution of Solicitation Packages to Parties Entitled to Vote on the Plan

7. In addition to the Disclosure Statement and exhibits thereto, including the Plan and this Order (without exhibits), the Solicitation Packages to be transmitted on or before the Solicitation Deadline, or as soon as reasonably practicable thereafter, to those Holders of Claims in the Voting Classes entitled to vote on the Plan as of the Voting Record Date, shall include the following, the form of each of which is hereby approved:

a. a copy of the Solicitation and Voting Procedures;

b. the Disclosure Statement (and the exhibits attached thereto, including the Plan);

c. an appropriate Ballot together with detailed voting instructions with respect thereto;

d. the Cover Letter;

e. this Order (without schedules or exhibits); and

f. the Sale/Confirmation Hearing Notice.

8. The Solicitation Packages provide the Holders of Claims entitled to vote on the Plan with adequate information to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 2002(b) and 3017(d), the Bankruptcy Code, and the Bankruptcy Local Rules.

9. The Debtors shall distribute Solicitation Packages to all Holders of Claims entitled to vote on the Plan on or before the Solicitation Deadline. Such service shall satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules.

10. The Debtors are authorized, but not directed or required, to distribute the Plan, the Disclosure Statement, and this Order to Holders of Claims and Interests entitled to vote on the Plan in electronic format (i.e., on a CD-ROM or flash drive). Only the Ballots, as well as the Cover Letter and the Sale/Confirmation Hearing Notice, will be provided in paper form. Any party that receives the material in electronic format but would prefer paper format may contact the Notice and Claims Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense).

11. On or before the Solicitation Deadline, the Debtors will provide complete Solicitation Packages (excluding the Ballots) to the U.S. Trustee, the Securities and Exchange Commission, counsel to the Committee, counsel to the ad hoc committee of certain Senior Lenders

and Junior Lenders and the DIP Lenders, counsel to the Prepetition Agents and the DIP Agent and all parties on the 2002 List as of the Voting Record Date.

12. For solicitation procedures only, the Court approves of the forms of the Ballots (including the Opt-Out Forms contained therein) and notice of the Voting/Opt-Out Deadline; provided that all parties' rights are reserved with respect to their ability to challenge the Debtor Release and the Third Party Release at the Confirmation Hearing. All votes to accept or reject the Plan must be cast by using the appropriate Ballot. All Ballots (including the Opt-Out Forms contained therein) must be properly executed, completed, and delivered according to their applicable voting instructions by: (a) first-class mail, in the return envelope provided with each Ballot; (b) overnight delivery; or (c) personal delivery, so that the Ballots are actually received by the Notice and Claims Agent no later than the Voting/Opt-Out Deadline at the return address set forth in the applicable Ballot. Alternatively, Ballots may be submitted via electronic mail to the Notice and Claims Agent's email address at DRCVotes@DonlinRecano.com.

13. In the event a Holder of a Claim entitled to vote chooses to opt-out of the Third Party Release, such Holder must comply with the voting instructions set forth above and submit their Opt-Out Form by the Voting/Opt-Out Deadline.

14. Notwithstanding anything to the contrary set forth in this Order, the Solicitation Package (including but not limited to the Disclosure Statement, Non-Voting Status Notice, and Opt-Out Form), the Plan, or the Confirmation Order, Indiana Public Retirement Systems ("Lead Plaintiff"), the court-appointed lead plaintiff in the securities fraud class action captioned as *Caudle v. AAC Holdings, Inc., et al.,* Case No. 3:19-cv-00407 (the "Caudle Litigation"), pending in the United States District Court for the Middle District of Tennessee (the "District Court"), together with each member of the putative class Lead Plaintiff seeks to represent (including as may

be redefined or certified) in the Caudle Litigation (the "Proposed Class"), shall be deemed to have opted out of the Third Party Release with respect to claims asserted or to be asserted in the Caudle Litigation (the "Opt-Out Claims"), and shall not be required to execute, complete, or deliver Opt-Out Forms by the Voting/Opt-Out Deadline. The Confirmation Order shall (a) contain the provisions of this paragraph 14 and (b) provide that Lead Plaintiff and the Proposed Class are not Releasing Parties and the Opt-Out Claims are not impacted by the Third-Party Release.

15. Notwithstanding anything to the contrary set forth in this Order, the Solicitation Package (including but not limited to the Disclosure Statement, Non-Voting Status Notice, and Opt-Out Form), the Plan, or the Confirmation Order, the Securities and Exchange Commission ("SEC") shall be deemed to have opted out of the Third Party Release and shall not be required to execute, complete, or deliver an Opt-Out Form by the Voting/Opt-Out Deadline. The Confirmation Order shall (a) contain the provisions of this paragraph 15 and (b) provide that the Securities and Exchange Commission is not a Releasing Party. All objections of the SEC with respect to the enforceability of a third-party release against the SEC are preserved.

C. Approval of the Sale/Confirmation Hearing Notice

16. The Sale/Confirmation Hearing Notice, in the form attached hereto as Schedule 7, constitutes adequate and sufficient notice of any Asset Sale and the hearing to consider approval of the Plan, the manner in which a copy of the Plan could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules. The Debtors shall publish the Sale/Confirmation Hearing Notice (in a format modified for publication) one time on or before the Publication Deadline in The New York Times (national edition).

D. Approval of the Form of Notices to Non-Voting Classes

17. Except to the extent that the Debtors determine otherwise, the Debtors are not required to provide Solicitation Packages to Holders of Claims or Interests in Non-Voting Classes, as such Holders are not entitled to vote on the Plan. Instead, on or before the Solicitation Deadline, or as soon as reasonably practicable thereafter, the Notice and Claims Agent shall mail a Non-Voting Status Notice in lieu of Solicitation Packages, the form of each of which is hereby approved, to those parties, outlined below, who are not entitled to vote on the Plan:

Class	Claims and Interests	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
7	Subordinated Claims	Impaired	Deemed to Reject
9	Interests in AAC Holdings	Impaired	Deemed to Reject

18. The Debtors are not required to provide the Holders of Class 6 Intercompany Claims and Class 8 Intercompany Interests with a Solicitation Package or any other type of notice in connection with solicitation.

19. The Debtors are not required to mail Solicitation Packages or other solicitation materials to: (a) Holders of Claims that have already been paid in full during the Chapter 11 Cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court; or (b) any party to whom the Disclosure Statement Hearing Notice was sent but was subsequently returned as undeliverable.

20. The Debtors are authorized to transmit the Impaired Non-Voting Status Notice attached hereto as Schedule 4 to the Registered Record Owners and the Intermediary Record Owners in accordance with customary procedures in the securities industry.

21. Each of the conversion agents and/or transfer agents for the Interests in AAC Holdings shall provide the Notice and Claims Agent with an electronic file containing the names, addresses, and holdings of each of the respective Registered Record Owners as of the Voting Record Date. Broadridge Financial Solutions, Inc. ("Broadridge"), Mediant Communications Inc. ("Mediant"), or any similarly situated institution that serves as a clearinghouse for trades of the Interests in AAC Holdings, shall provide the Notice and Claims Agent with the SPR setting forth the Intermediary Record Owners that hold the Interests in AAC Holdings in "street name" for the Beneficial Holders as of the Voting Record Date.

22. The Notice and Claims Agent shall provide Broadridge, Mediant, and any similarly situated institution that serves as a clearing house for trades of the Interests in AAC Holdings with Impaired Non-Voting Notices and they shall each distribute the Non-Voting Status Notices to each Intermediary Record Owner that utilizes their services. The Debtors are authorized, but not directed, to pay the reasonable fees and expenses of Broadridge, Mediant, and any similarly situated institution that serves as a clearing house for trades of the Interests in AAC Holdings for such distributions.

23. The Notice and Claims Agent will also serve all parties on the SPR with the proper non-voting package as a precaution against any Intermediary Record Owners that do not utilize the services provided by Broadridge, Mediant, or any other similarly situated institution that serves as a clearing house for trades of the Interests in AAC Holdings.

24. The Intermediary Record Owners shall distribute, or cause to be distributed, the Impaired Non-Voting Status Notice to the Beneficial Holders within five (5) business days of receiving the Impaired Non-Voting Status Notice.

E. Approval of Notices to Executory Contract and Unexpired Lease Counterparties

25. The Court approves the forms for the Cure Notice and the Adequate Assurance Information Notice attached hereto as Schedules 8 and 9, respectively.

a. Cure Notice

26. On or before September 17, 2020, the Debtors shall mail a Cure Notice, in the form attached hereto as Schedule 8, to the applicable counterparties to the Executory Contracts and Unexpired Leases that may be assumed (and assigned if applicable) pursuant to the Plan.

27. Any counterparty that wishes to object to the proposed assumption (and assignment if applicable) of an Executory Contract or Unexpired Lease (other than an objection to adequate assurance of a Buyer's ability to perform under such Executory Contract or Unexpired Leases), or the Debtors' calculation of the Cure Costs with respect thereto, must file with the Court and serve on the parties listed in Cure Notice an objection by October 1, 2020 at 4:00 P.M. prevailing Eastern Time.

b. Adequate Assurance Information Notice

28. In the event of an Asset Sale, on or before September 22, 2020, the Debtors shall mail an Adequate Assurance Information Notice, in the form attached hereto as Schedule 9, to the applicable counterparties to the Executory Contracts and Unexpired Leases that may be assumed and assigned to the Buyer in connection with the Asset Sale. Counterparties that receive information regarding a Buyer pursuant to the instructions set forth in the Adequate Assurance Information Notice shall keep such information confidential and shall not disseminate such information to any other party.

29. To the extent that any counterparties wish to object to the adequate assurance of future performance by a Buyer under the applicable Executory Contract(s) or Unexpired Lease(s),

such objection must (i) be in writing; (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Court and served on the parties set forth in the Adequate Assurance Information Notice by October 1, 2020 at 4:00 P.M. prevailing Eastern Time.

F. Approval of the Procedures for Filing Objections to the Plan

30. Unless otherwise ordered by the Court, Objections to the Plan will not be considered by the Court unless such objections are timely filed and properly served in accordance with this Order. Specifically, all objections to confirmation of the Plan or requests for modifications to the Plan, if any, ***must***: (a) be in writing; (b) conform to the Bankruptcy Rules and the Bankruptcy Local Rules; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the notice parties identified in the Sale/Confirmation Hearing Notice, so as to be actually received on or before the Sale/Plan Objection Deadline.

IV. Miscellaneous

31. The Debtors reserve the right to modify the Plan, in accordance with the terms thereof, the RSA and any applicable provisions of the Bankruptcy Code and Bankruptcy Rules, without further order of the Court in accordance with Article XII of the Plan, including the right to withdraw the Plan as to an individual Debtor at any time before the Confirmation Date.

32. Nothing in this Order shall be construed as a waiver of the right of the Debtors or any other party in interest, as applicable, to object to a proof of claim or interest after the Voting Record Date.

33. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

34. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

35. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

36. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

37. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: September 1st, 2020
Wilmington, Delaware

JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

Solicitation and Voting Procedures

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

SOLICITATION AND VOTING PROCEDURES

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") to solicit votes on the *Amended Joint Chapter 11 Plan of Reorganization of AAC Holdings Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of AAC Holdings, Inc.* and its Debtor Affiliates (as approved by the Disclosure Statement Order, the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Packages"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan or the Disclosure Statement Order.

A. The Voting Record Date

The Court has established **August 26, 2020,** as the record date for purposes of determining which Holders of Claims in Class 3, 4, and 5 are entitled to vote on the Plan (the "Voting Record Date").

B. The Voting/Opt-Out Deadline

The Court has established **October 1, 2020, at 4:00 P.M. prevailing Eastern Time** as the deadline for Holders of Claims (other than Holders of Subordinated Claims) to submit Ballots and/or Opt-Out Forms (the "Voting/Opt-Out Deadline").

To be counted as votes to accept or reject the Plan, all Class 3 ballots (the "Class 3 Ballots"), Class 4 ballots (the "Class 4 Ballots"), and Class 5 ballots (the "Class 5 Ballots;" collectively, with the Class 3 Ballots and the Class 4 Ballots, the "Ballots") must be properly executed, completed, and delivered by: (1) first class mail; (2) overnight courier; (3) personal delivery; or (4) electronic mail (in PDF or other standard format), so that they are *actually received*, in any case, no later than the Voting/Opt-Out Deadline by Donlin, Recano & Company, Inc. (the "Notice and Claims Agent"). All Ballots should be sent to: (1) if by mail, Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219; (2) if by hand delivery or overnight courier, Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, 6201 15th Avenue, Brooklyn, New York 11219; or (3) if via electronic mail, DRCVotes@DonlinRecano.com.[3] Delivery of a Ballot to the Notice and Claims Agent by facsimile shall not be valid.

To the extent the Holder of a Claim or Interest is entitled to opt out of the Third Party Release set forth in Article X.F of the Plan, to be counted as a Holder of a Claim deemed to have opted out of the Third Party Release, such Holder must properly execute, complete, and deliver (by (1) first class mail, (2) overnight courier, (3) personal delivery, or (4) electronic mail (in PDF or other standard format)), so that it is *actually received*, in any case, no later than the Voting/Opt-Out Deadline (as to Holders of Claims other than Subordinated Claims) by the Notice and Claims Agent, an Opt-Out Form. All Opt-Out Forms should be sent to: (1) if by mail, Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219; (2) if by hand delivery or overnight courier, Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, 6201 15th Avenue, Brooklyn, New York 11219; or (3) if via electronic mail, DRCVotes@DonlinRecano.com.[4] Delivery of an Opt-Out Form to the Notice and Claims Agent by facsimile shall not be valid.

As provided in the Disclosure Statement Order, the Debtors will file a Plan Supplement by **September 24, 2020**, which will include the following, as applicable: (a) Asset Sale Agreements,

[3] For any Ballot cast via electronic mail, the format of the attachment must be found in the common workplace and industry standard format (*i.e.*, industry-standard PDF file) and the received date and time in the Notice and Claims Agent's inbox will be used as the timestamp for receipt

[4] For any Opt-Out Form submitted via electronic mail, the format of the attachment must be found in the common workplace and industry standard format (*i.e.*, industry-standard PDF file) and the received date and time in the Notice and Claims Agent's inbox will be used as the timestamp for receipt

if any; (b) material Exit Facility Documents, if any; (c) New Organizational Documents, if any; (d) New Board Composition, if applicable; (e) New Stockholders' Agreement, if any; (f) New Warrant Agreement, if any; (g) Schedule of Rejected Executory Contracts and Unexpired Leases; (h) identity and compensation of the Plan Administrator, if any; (i) Plan Administrator Agreement, if any; and (j) projected recovery, if any, to Holders of Class 5 Claims; and (k) any and all other documentation, which shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, necessary to effectuate the Reorganization Transaction or that is contemplated by the Plan.

If you would like to view the Plan Supplement, you may do so by visiting the section of the Notice and Claims Agent's website that contains information specific to the Plan and Disclosure Statement at: https://www.donlinrecano.com/Clients/aac/PlanOfReorg. The Plan Supplement will appear at the top of the page under "Plan of Reorganization."

C. Form, Content, and Manner of Notices

1. The Solicitation Package

The following materials shall constitute the solicitation package (the "Solicitation Package"):

a. these *Solicitation and Voting Procedures*;

b. the Disclosure Statement (and exhibits thereto, including the Plan);

c. the applicable form of Ballot, in substantially the form of the Ballot annexed as Schedule 2A, 2B, and 2C to the Disclosure Statement Order, as applicable;

d. a cover letter, in substantially the form annexed as Schedule 6 to the Disclosure Statement Order, describing the contents of the Solicitation Package and urging the Holders of Claims in the Voting Classes to vote to accept the Plan;

e. the Disclosure Statement Order (without schedules or exhibits); and

f. the *Notice of Hearing to Consider Confirmation of the Chapter 11 Plan, Including Approval of the Sale Contemplated by the Bidding Procedures, Filed by the Debtors and Related Voting and Objection Procedures*, in substantially the form annexed as Schedule 7 to the Disclosure Statement Order (the "Sale/Confirmation Hearing Notice").

2. Distribution of the Solicitation Package

The Solicitation Package shall provide the Plan, the Disclosure Statement and the Disclosure Statement Order (without exhibits) in electronic format (CD-ROM or flash drive). Any party that received Solicitation Package materials in electronic format and desires paper copies, or

needs to obtain additional Solicitation Packages, may obtain them (at the Debtors' expense) by (i) calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; and/or (iii) writing to the Notice and Claims Agent at Donlin Recano & Company, Inc. Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

The Debtors will provide complete Solicitation Packages (excluding the Ballots) to the United States Trustee for the District of Delaware, the Securities and Exchange Commission, counsel to the Committee, counsel to the ad hoc committee of certain Senior Lenders and Junior Lenders and the DIP Lenders, counsel to the Prepetition Agents and to all parties required to be notified under Bankruptcy Rule 2002 and Bankruptcy Local Rule 2002-1 (the "2002 List") as of the Voting Record Date. In addition, the Debtors shall mail, or cause to be mailed, the Solicitation Package to all Holders of Claims in the Voting Classes on or before **September 3, 2020**, who are entitled to vote, as described in section D below.

To avoid duplication and reduce expenses, the Debtors will make every reasonable effort to ensure that any Holder of a Claim who has filed duplicative Claims against a Debtor (whether against the same or multiple Debtors) that are classified under the Plan in the same Voting Class receives no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class as against that Debtor.

3. **Resolution of Disputed Claims for Voting Purposes; Resolution Event**

a. Absent a further order of the Court or a Resolution Event (as defined herein) to the contrary, the Holder of a Claim in a Voting Class that is the subject of a pending objection on a "reduce and allow" basis filed on or before September 17, 2020 shall be entitled to vote such Claim in the reduced amount contained in such objection. The Debtors shall cause the applicable Holder to be served with a Notice of Voting Status with Respect to Disputed Claims substantially in the form annexed as Schedule 5 to the Disclosure Statement Order (which notice shall be served with such objection).

b. Absent a further order of the Court or a Resolution Event to the contrary, the Holder of a Claim that is the subject of a pending objection to reclassify the Claim into a Voting Class filed on or before September 17, 2020 shall be entitled to vote such Claim in such Voting Class and, to the extent the objection also seeks to "reduce and allow" the Claim, shall be entitled to vote such Claim in the reduced amount contained in such objection. The Debtors shall cause the applicable Holder to be served with a Notice of Voting Status with Respect to Disputed Claims substantially in the form annexed as Schedule 5 to the Disclosure Statement Order (which notice shall be served with such objection).

c. If a Claim in a Voting Class is subject to an objection other than (i) a "reduce and allow" objection or (ii) an objection to reclassify the Claim into a

Voting Class, in each case that is filed with the Court on or prior to September 17, 2020, the applicable Holder shall not be entitled to vote to accept or reject the Plan on account of such claim unless a Resolution Event occurs at or prior to the Confirmation Hearing; provided, however, such Holder shall be entitled to opt out of the Third Party Releases by returning the Opt-Out Form in accordance with the procedures provided herein. The Debtors shall cause the applicable Holder to be served with a Notice of Voting Status with Respect to Disputed Claims substantially in the form annexed as Schedule 5 to the Disclosure Statement Order (which notice shall be served with such objection).

d. If a Claim or Interest in a Voting Class is subject to an objection that is filed with the Court after September 17, 2020, the applicable Claim or Interest shall be deemed temporarily allowed for voting purposes only in its filed amount without further action by the Holder of such Claim or Interest and without further order of the Court, unless the Court orders otherwise.

e. A "Resolution Event" means the occurrence of one or more of the following events:

i. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

ii. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

iii. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or

iv. the pending objection is voluntarily withdrawn by the objecting party.

4. **Non-Voting Status Notices for Unimpaired Classes and Classes Deemed to Reject the Plan**

Certain Holders of Claims and Interests that are not classified in accordance with section 1123(a)(1) of the Bankruptcy Code or who are not entitled to vote because they are Unimpaired or otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code will receive only the Non-Voting Status Notice for Unimpaired Claims Conclusively Presumed to Accept the Plan, substantially in the form attached as Schedule 3 to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots). Certain Holders of Claims and Interests who are not entitled to vote because they are deemed to reject the Plan under section 1126(g) of the Bankruptcy Code will receive the Non-Voting Status Notice to Holders of Impaired Claims and Equity Interests Deemed to Reject the Plan, substantially in the form annexed as Schedule 4 to the Disclosure Statement Order. Such notice will instruct these Holders as to how they may obtain

copies of the documents contained in the Solicitation Package (excluding Ballots). In addition, Holders of Claims and Interests in the classes deemed to reject the Plan will also receive the Disclosure Statement (together with the Plan attached as Exhibit A thereto).

5. **Notices to Executory Contract and Unexpired Lease Counterparties**

Counterparties to Executory Contracts and Unexpired Leases that receive a Cure Notice, substantially in the form attached as Schedule 8 to the Disclosure Statement Order, may file an objection to the Debtors' proposed assumption (and assignment if applicable) and Cure Cost, as applicable. Such objections must be filed with the Court (contemporaneously with a proof of service) upon the applicable notice parties (as set forth in the Cure Notice), so as to be ***actually received*** by **October 1, 2020, at 4:00 P.M.** prevailing Eastern Time.

In the event of an Asset Sale, counterparties to Executory Contracts and Unexpired Leases that receive an Adequate Assurance Information Notice, substantially in the form attached as Schedule 9 to the Disclosure Statement Order, may file an objection to adequate assurance of future performance by a Buyer. Such objections must be filed with the Court (contemporaneously with a proof of service) upon the applicable notice parties (as set forth in the Adequate Assurance Information Notice), so as to be ***actually received*** by **October 1, 2020, at 4:00 P.M.** prevailing Eastern Time.

D. Voting and Tabulation Procedures

1. **Holders of Claims Entitled to Vote**

Only the following Holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims:

a. Holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim that (i) has not been expunged, disallowed, disqualified, withdrawn, or superseded prior to the Voting Record Date; and (ii) is not the subject of a pending objection filed with the Court at least seven days prior to the Voting/Opt-Out Deadline, pending a Resolution Event as provided herein shall receive a Solicitation Package and be entitled to vote such Claim;

b. Holders of Claims that are listed in the Schedules; *provided* that such Claims are not scheduled as contingent, unliquidated, or disputed and/or have not been paid in full or superseded by a timely Filed Proof of Claim;

c. Holders whose Claims arise (i) pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Court, (ii) in an order entered by the Court, or (iii) in a document executed by the Debtors pursuant to authority granted by the Court, in each case regardless of whether a Proof of Claim has been filed;

d. Holders of any Disputed Claim that has been temporarily allowed to vote on the Plan pursuant to Bankruptcy Rule 3018; and

e. the assignee of any Claim that was transferred on or before the Voting Record Date by any Person described in subparagraphs (a) through (d) above; *provided* that such transfer or assignment has been fully effectuated pursuant to the procedures set forth in Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register on the Voting Record Date.

2. **Establishing Claim Amounts for Voting Purposes**.

Class 3 Claims. The amount of Class 3 Claims for voting purposes only will be established based on the amount of the applicable positions held by such Class 3 Claim Holder, as applicable, as of the Voting Record Date, as evidenced by the list of record holders provided by the Senior Lien Agent in electronic Microsoft Excel format (or similar format) to the Debtors or the Notice and Claims Agent no later than one (1) business day following the Voting Record Date. For voting purposes, each Class 3 Claim shall be deemed a separate claim in each Sub-Class of Class 3 in the amount determined by the preceding sentence.

Class 4 Claims. The amount of Class 4 Claims for voting purposes only will be established based on the amount of the applicable positions held by such Class 4 Claim Holder, as applicable, as of the Voting Record Date, as evidenced by the list of record holders provided by the Junior Lien Agent in electronic Microsoft Excel format (or similar format) to the Debtors or the Notice and Claims Agent no later than one (1) business day following the Voting Record Date. For voting purposes, each Class 4 Claim shall be deemed a separate claim in each Sub-Class of Class 4 in the amount determined by the preceding sentence.

Class 5 Claims. The amount of Class 5 Claims (including each Sub-Class within Class 5) for voting purposes only will be established based on the amount of the applicable positions held by such Class 5 Claim Holder as of the Voting Record Date, as evidenced by (a) the Schedules and (b) the claims register maintained in these chapter 11 cases. Proofs of Claim filed for $0.00 are not entitled to vote.

If a timely filed Proof of Claim is amended, the last filed claim shall be subject to these rules and will supersede any earlier filed claim, and any earlier filed claim will be disallowed for voting purposes. Except as otherwise ordered by the Court, any amendments to Proofs of Claim after the Voting Record Date shall not be considered for purposes of these tabulation rules.

Filed and Scheduled Claims. The Claim amount established herein shall control for voting purposes only and shall not constitute the Allowed amount of any Claim. In tabulating votes, the following hierarchy shall be used to determine the amount of the Claim associated with each claimant's vote:

i. the Claim amount (1) settled and/or agreed upon by the Debtors, as reflected in a document filed with the Court, (2) set forth in an order of the Court, or (3) set forth in a document executed by the Debtors pursuant to authority granted by the Court;

ii. the Claim amount Allowed (temporarily or otherwise) pursuant to a Resolution Event under section C.3.d. of these Solicitation and Voting Procedures;

iii. the Claim amount contained in a Proof of Claim that has been timely filed by the applicable Bar Date (or deemed timely filed by the Court under applicable law), except for any amounts asserted on account of any interest accrued after the Petition Date; *provided*, *however*, that any Ballot cast by a Holder of a Claim who timely files a Proof of Claim in respect of (1) a contingent Claim or a Claim in a wholly-unliquidated or unknown amount (based on a reasonable review by the Debtors and/or the Notice and Claims Agent) that is not the subject of an objection by September 17, 2020 will count toward satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as a Ballot for a Claim in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code, and (2) a partially liquidated and partially unliquidated Claim, such Claim will be Allowed for voting purposes only in the liquidated amount; *provided further*, *however*, that to the extent the Claim amount contained in the Proof of Claim is different from the Claim amount (A) settled and/or agreed upon by the Debtors, as reflected in a document filed with the Court, (B) set forth in an order of the Court, or (C) set forth in a document executed by the Debtors pursuant to authority granted by the Court, such Claim amount shall supersede the Claim amount set forth on the respective Proof of Claim for voting purposes;

iv. the Claim amount listed in the Schedules (to the extent such Claim is not superseded by a timely filed Proof of Claim); *provided* that such Claim is not scheduled as contingent, disputed, or unliquidated and/or has not been paid in full; and

v. in the absence of any of the foregoing, such Claim shall be disallowed for voting purposes.

3. **Voting and Ballot Tabulation Procedures**.

The following voting procedures and standard assumptions shall be used in tabulating Ballots, subject to the Debtors' right to waive any of the below specified requirements for completion and submission of Ballots so long as such requirement is not otherwise required by the Bankruptcy Code, Bankruptcy Rules, or Bankruptcy Local Rules:

a. except as otherwise provided in these Solicitation and Voting Procedures, unless the Ballot being furnished is timely submitted on or prior to the Voting/Opt-Out Deadline (as the same may be extended by the Debtors), the Debtors, in their sole discretion, shall be entitled to reject such Ballot as invalid and, therefore, not count it in connection with Confirmation of the Plan, unless otherwise ordered by the Court;

b. the Debtors will file with the Court by no later than October 5, 2020, at 4:00 P.M., prevailing Eastern Time, a voting report (the "Voting Report"). The Voting Report shall, among other things, delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures, or lacking necessary information, received via facsimile, or damaged (collectively, in each case, the "Irregular Ballots"). The Voting Report shall indicate the Debtors' intentions with regard to each Irregular Ballot;

c. the method of delivery of Ballots to be sent to the Notice and Claims Agent is at the election and risk of each Holder. Except as otherwise provided, a Ballot will be deemed delivered only when the Notice and Claims Agent actually receives the properly executed Ballot;

d. an executed Ballot is required to be submitted by the Person submitting such Ballot. Subject to the other procedures and requirements herein, completed, executed Ballots may be submitted via electronic mail, in PDF format, to the Notice and Claims Agent at DRCvotes@DonlinRecano.com. However, Ballots submitted by facsimile will not be valid;

e. no Ballot should be sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent), the Debtors' financial or legal advisors, and if so sent will not be counted;

f. if multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting/Opt-Out Deadline, the last properly executed Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior received Ballot;

g. Holders must vote all of their Claims within a particular Class or Sub-Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted;

h. a person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity of a Holder of Claims must indicate such capacity when signing;

i. the Debtors, subject to a contrary order of the Court, may waive any defects or irregularities as to any particular Irregular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;

j. neither the Debtors, nor any other Person, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots

other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

k. unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting/Opt-Out Deadline or such Ballots will not be counted;

l. in the event a designation of lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim or Interest will be counted for purposes of determining whether the Plan has been accepted and/or rejected;

m. subject to any order of the Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; *provided* that any such rejections will be documented in the Voting Report and such rejection may be disputed by the affected party;

n. if a Claim has been estimated or a Claim or Interest has otherwise been Allowed only for voting purposes by order of the Court, such Claim or Interest shall be temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

o. if an objection to a Claim is filed, such Claim shall be treated in accordance with the procedures set forth herein;

p. the following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of such Claim or Interest; (ii) any Ballot cast by any Person that does not hold a Claim or Interest in a Voting Class; (iii) any Ballot cast for a Claim or Interest scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed by the Voting Record Date; (iv) any unsigned Ballot; (v) any Ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; and (vi) any Ballot submitted by any Person not entitled to vote pursuant to the procedures described herein;

q. after the Voting/Opt-Out Deadline, no Ballot may be withdrawn or modified without the prior written consent of the Debtors;

r. the Debtors are authorized to enter into stipulations with the Holder of any Claim or Interest agreeing to the amount of a Claim or Interest for voting purposes;

s. where any portion of a single Claim has been transferred to a transferee, all Holders of any portion of such single Claim will be (i) treated as a single creditor for purposes of the numerosity requirements in section 1126(c) of the Bankruptcy Code (and for the other voting and solicitation procedures set forth herein), and (ii) required to vote every portion of such Claim or Interest collectively to accept or reject the Plan. In the event that (i) a Ballot, (ii) a group of Ballots within a Voting Class received from a single creditor, or (iii) a group of Ballots received from the various Holders of multiple portions of a single Claim or Interest partially reject and partially accept the Plan, such Ballots shall not be counted; and

t. for purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single creditor in a particular Class or Sub-Class will be aggregated and treated as if such creditor held one Claim in such Class or Sub-Class, and all votes related to such Claim will be treated as a single vote to accept or reject the Plan; *provided*, *however*, that if separate affiliated entities hold Claims in a particular Class or Sub-Class, these Claims will not be aggregated and will not be treated as if such creditor held one Claim in such Class or Sub-Class, and the vote of each affiliated entity will be counted separately as a vote to accept or reject the Plan.

E. Amendments to the Plan and Solicitation and Voting Procedures.

The Debtors reserve the right to make non-substantive or immaterial changes to the Disclosure Statement, Plan (including, for the avoidance of doubt, the Plan Supplement), Ballots, Sale/Confirmation Hearing Notice, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors, if any, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Package before their distribution; *provided* that all such modifications shall be made in accordance with the terms of the document being modified and the Plan and the RSA.

SCHEDULE 2A

Form of Class 3 Ballot

(Senior Lender Claims)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

CLASS 3 – SENIOR LENDER CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY *BEFORE* COMPLETING THIS BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, THIS BALLOT MUST BE COMPLETED, EXECUTED, AND RETURNED SO AS TO BE *ACTUALLY RECEIVED* BY THE NOTICE AND CLAIMS AGENT BY OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (THE "VOTING/OPT-OUT DEADLINE") IN ACCORDANCE WITH THE FOLLOWING:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan"). The Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") has approved that certain *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing adequate information pursuant to section 1125 of the Bankruptcy Code, by entry of an order on [●], 2020 [Docket No. [●]] (the "Disclosure Statement Order"). Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this Class 3 Ballot because you are a Holder of a Class 3 Claim as of August 26, 2020 (the "Voting Record Date"). Under the terms of the Plan, Class 3 is Impaired, and Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan. Accordingly, you may have a right to vote to accept or reject the Plan.

Included in Item 3 of this Class 3 Ballot is an Opt-Out Form related to the Third Party Release set forth in Article X.F of the Plan. If you vote, or are deemed, to accept the Plan, you are not entitled to opt out of the Third Party Release. **If you are entitled to vote to accept or reject the Plan and either abstain from voting or vote to reject the Plan, you are deemed to have consented to the Third Party Release unless you properly complete and return the Opt-Out Form.**

Your rights are further described in the Disclosure Statement, which was included in the package (the "Solicitation Package") you are receiving with this Class 3 Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (at the Debtors' expense) by (i) calling Donlin Recano & Company, Inc. (the "Notice and Claims Agent") at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; and/or (iii) writing to the Notice and Claims Agent at Donlin Recano & Company, Inc. Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, opting out of the Third Party Release (if permitted), and making certain certifications with respect to the Plan. If you believe you have received this Class 3 Ballot in error, or if you believe that you have received the wrong ballot, please contact the Notice and Claims Agent ***immediately*** at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 3, under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the Holder of a Class 3 Claim against each of the Debtors in the following aggregate unpaid amount:

$ _____

Item 2. Vote on Plan.

The Holder of a Class 3 Claim against each of the Debtors votes to (please check one):

☐ **ACCEPT** (vote FOR) the Plan	☐ **REJECT** (vote AGAINST) the Plan

Your vote on the Plan will be applied to each applicable Debtor (and thus each Sub-Class of Class 3) in the same manner and in the same amount as indicated in Item 1 and Item 2 above.

Item 3. Third Party Release and Opt-Out Form

Article X.F of the Plan provides for the following Third Party Release.

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party[2] is deemed to have forever released, waived, and discharged each of the Debtors, Reorganized Debtors,

[2] "*Releasing Party*" means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Junior Lien Agent; (d) the Junior Lenders; (e) the Senior Lien Agent; (f) the Senior Lenders; (g) each Buyer, if any; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, (k) with respect to each of the foregoing entities in clauses (a) through (j), such entity's respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (l) each of the Debtors' respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (other than current and former Holders of Interests of AAC Holdings) (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (m) all Holders of Claims that vote, or are deemed, to accept the Plan; (n) all Holders of Claims in voting classes that abstain from voting on the Plan and do not opt out of the releases provided by the Plan; (o) all Holders of Claims that vote to reject the Plan and do not opt out of the releases provided by the Plan; and (p) all other Holders of Claims to the maximum extent permitted by law; provided, however, that, notwithstanding anything to the contrary above, with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, any Holder of a Claim or Interest in such Class shall not be a "Releasing Party" on account of such Claim or Interest (but, for the avoidance of doubt, such Holder could still be a "Releasing Party" with respect to a different Claim or Interest if it is also the Holder of such different Claim or Interest and otherwise meets the definition of "Releasing Party" on account of that different Claim or Interest).

and Released Party[3] from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable

[3] "*Released Party*" means each of the following, solely in its capacity as such: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Junior Lien Agent; (e) the Junior Lenders; (f) the Senior Lien Agent; (g) the Senior Lenders; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, and (l) with respect to the foregoing clauses (a) through (j), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such; *provided* that any Holder of a Claim that opts out of the releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a "Released Party."

consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

* * *

IF YOU ABSTAIN FROM VOTING OR VOTE TO REJECT THE PLAN, YOU ARE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE UNLESS YOU PROPERLY COMPLETE AND RETURN THE OPT-OUT FORM INCLUDED ON THE NEXT PAGE.

OPT-OUT FORM

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE, AND YOU CANNOT OPT OUT OF PROVIDING THE THIRD PARTY RELEASE. IF YOU (I) ABSTAIN FROM VOTING ON THE PLAN OR (II) VOTE TO REJECT THE PLAN AND, IN EITHER CASE, DO NOT CHECK THE BOX BELOW, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE. IF YOU ELECT TO OPT OUT OF THE THIRD PARTY RELEASE, YOU CANNOT BE A "RELEASED PARTY" UNDER THE PLAN.

The Holder of the Class 3 Claim against the Debtors set forth in Item 1 elects (to the extent it is entitled to make such election under the terms of the Plan) to:

☐ **OPT OUT of the Third Party Release**

Item 4. Certifications.

By signing this Class 3 Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

(a) that, as of the Voting Record Date, either: (i) the Person is the Holder of Class 3 Claim being voted; or (ii) such Person is an authorized signatory for the Holder of the Class 3 Claims being voted;

(b) that the Person (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

(c) that the Person has cast the same vote with respect to all Class 3 Claims in a single Class; and

(d) that no other Class 3 Ballots with respect to the amount of the Class 3 Claims identified in Item 1 have been cast or, if any other Class 3 Ballots have been cast with respect to such Class 3 Claims, then any such earlier Class 3 Ballots are hereby revoked.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____
Tax Identification Number:	_____

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS CLASS 3 BALLOT ON OR BEFORE OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS CLASS 3 BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

PLEASE COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT IN THE PROVIDED RETURN ENVELOPE *PROMPTLY* VIA FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO:

If by First Class Mail:	**If by Hand Delivery or Overnight Mail:**
Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department PO Box 199043 Blythebourne Station Brooklyn, NY 11219	Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department 6201 15th Ave Brooklyn, NY 11219

OR

COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT *PROMPTLY* VIA ELECTRONIC MAIL TO DRCVOTES@DONLINRECANO.COM WITH "AAC BALLOTS" IN THE SUBJECT LINE

Holders of Claims who cast a ballot via electronic mail to DRCVotes@DonlinRecano.com with "AAC BALLOTS" in the subject line should NOT also submit a paper Ballot.

FOR ANY BALLOT CAST VIA ELECTRONIC MAIL, A FORMAT OF THE ATTACHMENT MUST BE FOUND IN THE COMMON WORKPLACE AND INDUSTRY STANDARD FORMAT (*I.E.*, INDUSTRY-STANDARD PDF FILE) AND THE RECEIVED DATE AND TIME IN THE NOTICE AND CLAIMS AGENT'S INBOX WILL BE USED AS A TIMESTAMP FOR RECEIPT.

IF THE NOTICE AND CLAIMS AGENT DOES NOT ***ACTUALLY RECEIVE*** THIS CLASS 3 BALLOT **OCTOBER 1, 2020, AT 4:00 P.M.**, PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS CLASS 3 BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

Class 3 Claims

INSTRUCTIONS FOR COMPLETING THIS CLASS 3 BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Class 3 Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meaning set forth in the Plan, a copy of which also accompanies the Class 3 Ballot. **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Class 3 Ballot is counted, you ***must*** complete and submit this Class 3 Ballot as instructed herein. **Ballots will not be accepted by facsimile.**

4. **Use of Ballot**. To ensure that your Class 3 Ballot is counted, you must: (a) complete your Class 3 Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Class 3 Ballot; and (c) clearly sign and submit your Class 3 Ballot as instructed herein.

5. Refer to Item 3 in your Class 3 Ballot regarding important information about the Third Party Release. **If you abstain from voting or vote to reject the Plan, you are deemed to have consented to the Third Party Release unless you properly complete and return the Opt-Out Form**.

6. Your Class 3 Ballot ***must*** be returned to the Notice and Claims Agent so as to be ***actually received*** by the Notice and Claims Agent on or before the Voting/Opt-Out Deadline. **The Voting/Opt-Out Deadline is October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time. For any ballot cast via electronic mail, the received date and time in the Notice and Claims Agent's inbox will be used as a timestamp for receipt.

7. If a Class 3 Ballot is received after the Voting/Opt-Out Deadline and if the Voting/Opt-Out Deadline is not extended, it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Class 3 Ballots will *not* be counted:**

   (a) any Class 3 Ballot that partially rejects and partially accepts the Plan;
   (b) Class 3 Ballots sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent), any indenture trustee, or the Debtors' financial or legal advisors;
   (c) Class 3 Ballots sent by facsimile;
   (d) any Class 3 Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Class 3 Ballot cast by a Person that does not hold a Claim in Class 3;

(f) any Class 3 Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
(g) any unsigned Class 3 Ballot;
(h) any non-original Class 3 Ballot; and/or
(i) any Class 3 Ballot not marked to accept or reject the Plan or any Class 3 Ballot marked both to accept and reject the Plan.

8. The method of delivery of Class 3 Ballots to the Notice and Claims Agent is at the election and risk of each Holder of a Class 3 Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Notice and Claims Agent ***actually receives*** the originally executed Class 3 Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

9. If multiple Class 3 Ballots are received from the same Holder of a Class 3 Claim with respect to the same Class 3 Claim prior to the Voting/Opt-Out Deadline, the latest, timely received, and properly completed Class 3 Ballot will supersede and revoke any earlier received Class 3 Ballots.

10. You must vote all of your Claims within Class 3 either to accept or reject the Plan and may **not** split your vote.

11. This Class 3 Ballot does ***not*** constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

12. **Please be sure to sign and date your Class 3 Ballot**. If you are signing a Class 3 Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you must indicate such capacity when signing and, if required or requested by the Notice and Claims Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Class 3 Ballot.

13. If you hold Claims in more than one Class under the Plan you may receive more than one ballot coded for each different Class. Each ballot votes ***only*** your Claims indicated on that ballot, so please complete and return each ballot that you received.

PLEASE SUBMIT YOUR CLASS 3 BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS CLASS 3 BALLOT, THESE VOTING INSTRUCTIONS OR THE PROCEDURES FOR VOTING, PLEASE CALL THE RESTRUCTURING HOTLINE AT: 877-476-4387 (TOLL FREE) OR EMAIL AACINFO@DONLINRECANO.COM.

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS CLASS 3 BALLOT ON OR BEFORE THE VOTING/OPT-OUT DEADLINE, WHICH IS ON OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED HEREBY MAY BE COUNTED ONLY IN THE DISCRETION OF THE DEBTORS.

SCHEDULE 2B

Form of Class 4/5 Ballot

(Junior Lender Claims)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

CLASS 4 AND 5 – JUNIOR LENDER SECURED CLAIMS AND JUNIOR LENDER DEFICIENCY CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY *BEFORE* COMPLETING THIS BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, THIS BALLOT MUST BE COMPLETED, EXECUTED, AND RETURNED SO AS TO BE *ACTUALLY RECEIVED* BY THE NOTICE AND CLAIMS AGENT BY OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (THE "VOTING/OPT-OUT DEADLINE") IN ACCORDANCE WITH THE FOLLOWING:

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan"). The Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") has approved that certain *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing adequate information pursuant to section 1125 of the Bankruptcy Code, by entry of an order on [●], 2020 [Docket No. [●]] (the "Disclosure Statement Order"). Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

You are receiving this Class 4 and 5 Ballot because you are a Holder of a Class 4 Claim and Class 5 Claim (if any) as of August 26, 2020 (the "Voting Record Date"). Accordingly, you have a right to vote to accept or reject the Plan.

Included in Item 3 of this Ballot is an Opt-Out Form related to the Third Party Release set forth in Article X.F of the Plan. If you vote to accept the Plan, you are not entitled to opt out of the Third Party Release. **If you abstain from voting or vote to reject the Plan, you are deemed to have consented to the Third Party Release unless you properly complete and return the Opt-Out Form.**

In the event of a Reorganization Transaction, Holders of Allowed Class 4 Claims will receive their Pro Rata share of 100% of the Reorganized AAC Equity Interests, subject to dilution by the New Warrants and Management Incentive Plan. As set forth in Article IV.C.3 of the Plan, in order to receive Reorganized AAC Equity Interests, including Reorganized AAC Equity Interests issuable upon exercise of the New Warrants, a prospective Holder of such Reorganized Equity Interests, including Holders of Allowed Junior Lender Secured Claims, must become party to the New Stockholders' Agreement by executing the New Stockholders' Agreement or a joinder to same.

Your rights are described in the Disclosure Statement, which was included in the package (the "Solicitation Package") you are receiving with this Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (at the Debtors' expense) by (i) calling Donlin Recano & Company, Inc. (the "Notice and Claims Agent") at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; and/or (iii) writing to the Notice and Claims Agent at Donlin Recano & Company, Inc. Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, opting out of the Third Party Release, and making certain certifications with respect to the Plan. If you believe you have received this Ballot in error, or if you believe that you have received the wrong ballot, please contact the Notice and Claims Agent ***immediately*** at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Junior Lender Secured Claim has been placed in Class 4 under the Plan. This ballot also casts your vote under Class 5 for your Junior Lender Deficiency Claim, if any. If you hold Claims in any additional Class, you will receive a ballot for each such Class in which you are entitled to vote.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the Holder of Junior Lender Claim against each of the Debtors in the following aggregate unpaid amount:

$ _____

Item 2. Vote on Plan.

The Holder of the Class 4 Claim for the Junior Lender Secured Claim and Class 5 Claim for the Junior Lender Deficiency Claim (if any) against each of the Debtors votes to (please check one):

☐	**ACCEPT** (vote FOR) the Plan	☐	**REJECT** (vote AGAINST) the Plan

Your vote on the Plan will be applied to each applicable Debtor in the same manner and in the same amount as indicated in Item 1 and Item 2 above.

Item 3. Third Party Release and Opt-Out Form.

Article X.F of the Plan provides for the following Third Party Release.

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party[2] is deemed to

[2] "*Releasing Party*" means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Junior Lien Agent; (d) the Junior Lenders; (e) the Senior Lien Agent; (f) the Senior Lenders; (g) each Buyer, if any; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, (k) with respect to each of the foregoing entities in clauses (a) through (j), such entity's respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (l) each of the Debtors' respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (other than current and former Holders of Interests of AAC Holdings) (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (m) all Holders of Claims that vote, or are deemed, to accept the Plan; (n) all Holders of Claims in voting classes that abstain from voting on the

have forever released, waived, and discharged each of the Debtors, Reorganized Debtors, and Released Party[3] from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term

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Plan and do not opt out of the releases provided by the Plan; (o) all Holders of Claims that vote to reject the Plan and do not opt out of the releases provided by the Plan; and (p) all other Holders of Claims to the maximum extent permitted by law; provided, however, that, notwithstanding anything to the contrary above, with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, any Holder of a Claim or Interest in such Class shall not be a "Releasing Party" on account of such Claim or Interest (but, for the avoidance of doubt, such Holder could still be a "Releasing Party" with respect to a different Claim or Interest if it is also the Holder of such different Claim or Interest and otherwise meets the definition of "Releasing Party" on account of that different Claim or Interest).

[3] "*Released Party*" means each of the following, solely in its capacity as such: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Junior Lien Agent; (e) the Junior Lenders; (f) the Senior Lien Agent; (g) the Senior Lenders; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, and (l) with respect to the foregoing clauses (a) through (j), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such; *provided* that any Holder of a Claim that opts out of the releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a "Released Party."

Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

* * *

IF YOU ABSTAIN FROM VOTING OR VOTE TO REJECT THE PLAN, YOU ARE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE UNLESS YOU PROPERLY COMPLETE AND RETURN THE OPT-OUT FORM INCLUDED ON THE NEXT PAGE.

OPT-OUT FORM

IF YOU VOTE TO ACCEPT THE PLAN, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE, AND YOU CANNOT OPT OUT OF PROVIDING THE THIRD PARTY RELEASE. IF YOU (I) ABSTAIN FROM VOTING ON THE PLAN OR (II) VOTE TO REJECT THE PLAN AND, IN EITHER CASE, DO NOT CHECK THE BOX BELOW, YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE. IF YOU ELECT TO OPT OUT OF THE THIRD PARTY RELEASE, YOU CANNOT BE A "RELEASED PARTY" UNDER THE PLAN.

The Holder of the Class 4 and Class 5 Claim (if any) against the Debtors set forth in Item 1 elects to:

☐ **OPT OUT of the Third Party Release**

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

(a) that, as of the Voting Record Date, either: (i) the Person is the Holder of the Class 4 Claim and Class 5 Claim (if any) being voted; or (ii) the Person is an authorized signatory for the Holder of the Class 4 Claim and Class 5 Claim (if any) being voted;

(b) that the Person (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

(c) that the Person has cast the same vote with respect to all Class 4 Claims and Class 5 Claims (if any) in a single Class; and

(d) that no other Ballots with respect to the amount of the Junior Lender Claim identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Class 4 Claim or Class 5 Claim (if any), then any such earlier Ballots are hereby revoked.

Name of Holder:	_____ (Print or Type)
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____
Tax Identification number:	_____

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS BALLOT ON OR BEFORE OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

PLEASE COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT IN THE PROVIDED RETURN ENVELOPE *PROMPTLY* VIA FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO:

If by First Class Mail:	**If by Hand Delivery or Overnight Mail:**
Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department PO Box 199043 Blythebourne Station Brooklyn, NY 11219	Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department 6201 15th Ave Brooklyn, NY 11219

OR

COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT *PROMPTLY* VIA ELECTRONIC MAIL TO DRCVOTES@DONLINRECANO.COM WITH "AAC BALLOTS" IN THE SUBJECT LINE

Holders of Claims who cast a ballot via electronic mail to DRCVotes@DonlinRecano.com with "AAC BALLOTS" in the subject line should NOT also submit a paper Ballot.

FOR ANY BALLOT CAST VIA ELECTRONIC MAIL, A FORMAT OF THE ATTACHMENT MUST BE FOUND IN THE COMMON WORKPLACE AND INDUSTRY STANDARD FORMAT (*I.E.*, INDUSTRY-STANDARD PDF FILE) AND THE RECEIVED DATE AND TIME IN THE NOTICE AND CLAIMS AGENT'S INBOX WILL BE USED AS A TIMESTAMP FOR RECEIPT.

IF THE NOTICE AND CLAIMS AGENT DOES NOT ***ACTUALLY RECEIVE*** THIS BALLOT **OCTOBER 1, 2020, AT 4:00 P.M.**, PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

Junior Lender Claims

INSTRUCTIONS FOR COMPLETING THIS BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meaning set forth in the Plan, a copy of which also accompanies the \ Ballot. **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Ballot is counted, you ***must*** complete and submit this Ballot as instructed herein. **Ballots will not be accepted by facsimile.**

4. **Use of Ballot**. To ensure that your Ballot is counted, you must: (a) complete your Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) clearly sign and submit your Ballot as instructed herein.

5. Refer to Item 3 in your Ballot regarding important information about the Third Party Release. **If you abstain from voting or vote to reject the Plan, you are deemed to have consented to the Third Party Release unless you properly complete and return the Opt-Out Form.**

6. Your Ballot ***must*** be returned to the Notice and Claims Agent so as to be ***actually received*** by the Notice and Claims Agent on or before the Voting/Opt-Out Deadline. **The Voting/Opt-Out Deadline is October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time. For any ballot cast via electronic mail, the received date and time in the Notice and Claims Agent's inbox will be used as a timestamp for receipt.

7. If a Ballot is received after the Voting/Opt-Out Deadline and if the Voting/Opt-Out Deadline is not extended, it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Ballots will *not* be counted:**

   (a) any Ballot that partially rejects and partially accepts the Plan;
   (b) Ballots sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent), any indenture trustee, or the Debtors' financial or legal advisors;
   (c) Ballots sent by facsimile;
   (d) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Ballot cast by a Person that does not hold a Claim in Class 4 and Class 5;

(f) any Ballot submitted by a Holder not entitled to vote pursuant to the Plan;
(g) any unsigned Ballot;
(h) any non-original Ballot; and/or
(i) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

8. The method of delivery of Ballots to the Notice and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Notice and Claims Agent ***actually receives*** the originally executed Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

9. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting/Opt-Out Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots.

10. You must vote all of your Claims within Class 4 and Class 5 either to accept or reject the Plan and may **not** split your vote.

11. This Ballot does ***not*** constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

12. **Please be sure to sign and date your Ballot**. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you must indicate such capacity when signing and, if required or requested by the Notice and Claims Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

13. If you hold Claims in more than one Class under the Plan you may receive more than one ballot coded for each different Class. Each ballot votes ***only*** your Claims indicated on that ballot, so please complete and return each ballot that you received.

PLEASE SUBMIT YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT, THESE VOTING INSTRUCTIONS OR THE PROCEDURES FOR VOTING, PLEASE CALL THE RESTRUCTURING HOTLINE AT: 877-476-4387 (TOLL FREE) OR EMAIL AACINFO@DONLINRECANO.COM.

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS BALLOT ON OR BEFORE THE VOTING/OPT-OUT DEADLINE, WHICH IS ON OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED HEREBY MAY BE COUNTED ONLY IN THE DISCRETION OF THE DEBTORS.

SCHEDULE 2C

Form of Class 5 Ballot

(General Unsecured Claims)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

BALLOT FOR VOTING TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF AAC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

CLASS 5 – GENERAL UNSECURED CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY *BEFORE* COMPLETING THIS BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, THIS BALLOT MUST BE COMPLETED, EXECUTED, AND RETURNED SO AS TO BE *ACTUALLY RECEIVED* BY THE NOTICE AND CLAIMS AGENT BY OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (THE "VOTING/OPT-OUT DEADLINE") IN ACCORDANCE WITH THE FOLLOWING:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

The above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan"). The Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") has approved that certain *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing adequate information pursuant to section 1125 of the Bankruptcy Code, by entry of an order on [●], 2020 [Docket No. [●]] (the "Disclosure Statement Order"). Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

As provided in the Disclosure Statement Order, on or before **September 17, 2020**, the Debtors will file a file a notice (consistent with the election of the Consenting Lenders) indicating whether the Debtors will proceed with an Entire Company Asset Sale or a Reorganization Transaction (the "Election Notice"). If the Debtors proceed with a Reorganization Transaction, under the terms of the Plan Holders of Class 5 Claims will not be entitled to receive any recovery under the Plan and will be deemed to reject the Plan.

As provided in the Disclosure Statement Order, the Debtors will file a Plan Supplement by **September 24, 2020**, which will include the following, as applicable: (a) Asset Sale Agreements, if any; (b) material Exit Facility Documents, if any; (c) New Organizational Documents, if any; (d) New Board Composition, if applicable; (e) New Stockholders' Agreement, if any; (f) New Warrant Agreement, if any; (g) Schedule of Rejected Executory Contracts and Unexpired Leases; (h) identity and compensation of the Plan Administrator, if any; (i) Plan Administrator Agreement, if any; (j) projected recovery, if any, to Holders of Class 5 Claims; and (k) any and all other documentation, which shall be consistent in all material respects with the Restructuring Support Agreement and/or otherwise in form and substance acceptable to the Debtors and the Requisite Consenting Lenders, necessary to effectuate the Reorganization Transaction or that is contemplated by the Plan.

If you would like to view the Election Notice or Plan Supplement, you may do so by visiting the section of the Notice and Claims Agent's website that contains information specific to the Plan and Disclosure Statement at: https://www.donlinrecano.com/Clients/aac/PlanOfReorg. The Plan Supplement will appear at the top of the page under "Plan of Reorganization."

You are receiving this Class 5 Ballot because you are a Holder of a Class 5 Claim as of August 26, 2020 (the "Voting Record Date"). Under the terms of the Plan, Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

The Plan provides for releases in favor of non-Debtor third parties, including the Debtors' current and former officers and directors.

Included in Item 3 of this Class 5 Ballot is an Opt-Out Form related to the Third Party Release set forth in Article X.F of the Plan. **You must properly complete and return the Opt-Out Form to indicate your election to opt out of the Third Party Release. However, if you vote in favor of the Plan, you cannot opt out of the Third Party Release unless Class 5 is deemed to reject the Plan. IF YOU DO NOT PROPERLY COMPLETE AND RETURN**

THE OPT-OUT FORM YOU SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE. Under the terms of the Plan, if Class 5 is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, such Holders will not be "Releasing Parties" on account of such Class 5 Claims. However, if Class 5 is not deemed to reject the Plan, each Holder of a Class 5 Claim shall be deemed to have consented to the Third Party Release, unless such Holder (a) votes to reject the Plan and completes the Opt-Out Form so it is received by the Voting/Opt-Out Deadline, or (b) if such Holder chooses not to vote on the Plan, such Holder completes the rest of the Ballot and completes the Opt-Out Form, so it is received by the Voting/Opt-Out Deadline.

Your rights are further described in the Disclosure Statement, which was included in the package (the "Solicitation Package") you are receiving with this Class 5 Ballot (as well as the Plan, Disclosure Statement Order, and certain other materials). If you received Solicitation Package materials in electronic format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may obtain them (at the Debtors' expense) by (i) calling Donlin Recano & Company, Inc. (the "Notice and Claims Agent") at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; and/or (iii) writing to the Notice and Claims Agent at Donlin Recano & Company, Inc. Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan, opting out of the Third Party Release, and making certain certifications with respect to the Plan. If you believe you have received this Class 5 Ballot in error, or if you believe that you have received the wrong ballot, please contact the Notice and Claims Agent ***immediately*** at the address, telephone number, or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5, under the Plan. If you hold Claims in more than one Class, you will receive a ballot for each Class in which you are entitled to vote.

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned was the Holder of a Class 5 Claim, against the Debtor indicated below, in the following aggregate unpaid amount (insert amount in box below):

$ _____
Debtor: _____

Item 2. Vote on Plan.

The Holder of a Class 5 Claim against the Debtor set forth in Item 1 votes to (please check one):

☐	**ACCEPT** (vote FOR) the Plan	☐	**REJECT** (vote AGAINST) the Plan

Item 3. Article X.F of the Plan provides for the following Third Party Release.

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party[2] is deemed to have forever released, waived, and discharged each of the Debtors, Reorganized Debtors, and Released Party[3] from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as

[2] "*Releasing Party*" means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Junior Lien Agent; (d) the Junior Lenders; (e) the Senior Lien Agent; (f) the Senior Lenders; (g) each Buyer, if any; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, (k) with respect to each of the foregoing entities in clauses (a) through (j), such entity's respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (l) each of the Debtors' respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (other than current and former Holders of Interests of AAC Holdings) (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (m) all Holders of Claims that vote, or are deemed, to accept the Plan; (n) all Holders of Claims in voting classes that abstain from voting on the Plan and do not opt out of the releases provided by the Plan; (o) all Holders of Claims that vote to reject the Plan and do not opt out of the releases provided by the Plan; and (p) all other Holders of Claims to the maximum extent permitted by law; provided, however, that, notwithstanding anything to the contrary above, with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, any Holder of a Claim or Interest in such Class shall not be a "Releasing Party" on account of such Claim or Interest (but, for the avoidance of doubt, such Holder could still be a "Releasing Party" with respect to a different Claim or Interest if it is also the Holder of such different Claim or Interest and otherwise meets the definition of "Releasing Party" on account of that different Claim or Interest).

[3] "*Released Party*" means each of the following, solely in its capacity as such: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Junior Lien Agent; (e) the Junior Lenders; (f) the Senior Lien Agent; (g) the Senior Lenders; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, and (l) with respect to the foregoing clauses (a) through (j), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such; *provided* that any Holder of a Claim that opts out of the releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a "Released Party."

counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

* * *

IF YOU ABSTAIN FROM VOTING OR VOTE TO REJECT THE PLAN, YOU ARE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE UNLESS YOU PROPERLY COMPLETE AND RETURN THE OPT-OUT FORM INCLUDED ON THE NEXT PAGE.

OPT-OUT FORM

CHECK THE BOX BELOW TO INDICATE YOUR ELECTION TO OPT OUT OF THE THIRD PARTY RELEASE. YOUR OPT OUT ELECTION WILL BE TREATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE PLAN. IF YOU VOTE TO ACCEPT THE PLAN YOU CANNOT OPT OUT OF THE THIRD PARTY RELEASE.

The Holder of the Class 5 Claim against the Debtors set forth in Item 1 elects to:

☐ **OPT OUT of the Third Party Release**

Item 4. Certifications.

By signing this Class 5 Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

(a) that, as of the Voting Record Date, either: (i) the Person is the Holder of Class 5 Claim being voted; or (ii) the Person is an authorized signatory for the Holder of the Class 5 Claims being voted;

(b) that the Person (or in the case of an authorized signatory, the Holder) has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

(c) that the Person has cast the same vote with respect to all Class 5 Claims in a single Class; and

(d) that no other Class 5 Ballots with respect to the amount of the Class 5 Claims identified in Item 1 have been cast or, if any other Class 5 Ballots have been cast with respect to such Class 5 Claims, then any such earlier Class 5 Ballots are hereby revoked.

Name of Holder:	_____ (Print or Type)
	_____
Signature:	_____
Name of Signatory:	_____ (If other than Holder)
Title:	_____
Address:	_____
	_____
	_____
Telephone Number:	_____
Email:	_____
Date Completed:	_____
Tax Identification number:	_____

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS CLASS 5 BALLOT ON OR BEFORE OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS CLASS 5 BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

PLEASE COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT IN THE PROVIDED RETURN ENVELOPE *PROMPTLY* VIA FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO:

If by First Class Mail:	**If by Hand Delivery or Overnight Mail:**
Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department PO Box 199043 Blythebourne Station Brooklyn, NY 11219	Donlin, Recano & Company, Inc. **Re: AAC Holdings, Inc., et al.** Attn: Voting Department 6201 15th Ave Brooklyn, NY 11219

OR

COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT *PROMPTLY* VIA ELECTRONIC MAIL TO DRCVOTES@DONLINRECANO.COM WITH "AAC BALLOTS" IN THE SUBJECT LINE

Holders of Claims who cast a ballot via electronic mail to DRCVotes@DonlinRecano.com with "AAC BALLOTS" in the subject line should NOT also submit a paper Ballot.

FOR ANY BALLOT CAST VIA ELECTRONIC MAIL, A FORMAT OF THE ATTACHMENT MUST BE FOUND IN THE COMMON WORKPLACE AND INDUSTRY STANDARD FORMAT (*I.E.*, INDUSTRY-STANDARD PDF FILE) AND THE RECEIVED DATE AND TIME IN THE NOTICE AND CLAIMS AGENT'S INBOX WILL BE USED AS A TIMESTAMP FOR RECEIPT.

IF THE NOTICE AND CLAIMS AGENT DOES NOT ***ACTUALLY RECEIVE*** THIS CLASS 5 BALLOT **OCTOBER 1, 2020, AT 4:00 P.M.**, PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED BY THIS CLASS 5 BALLOT MAY BE COUNTED TOWARD CONFIRMATION OF THE PLAN ONLY IN THE DISCRETION OF THE DEBTORS.

Class 5 Claims

INSTRUCTIONS FOR COMPLETING THIS CLASS 5 BALLOT

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Class 5 Ballot or in these instructions (the "Ballot Instructions") but not otherwise defined therein or herein shall have the meaning set forth in the Plan, a copy of which also accompanies the Class 5 Ballot. **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. To ensure that your Class 5 Ballot is counted, you ***must*** complete and submit this Class 5 Ballot as instructed herein. **Ballots will not be accepted by facsimile.**

4. **Use of Ballot**. To ensure that your Class 5 Ballot is counted, you must: (a) complete your Class 5 Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Class 5 Ballot; and (c) clearly sign and submit your Class 5 Ballot as instructed herein.

5. Refer to Item 3 in your Class 5 Ballot regarding important information about the Third Party Release. **If you abstain from voting or vote to reject the Plan, you are deemed to have consented to the Third Party Release unless you properly complete and return the Opt-Out Form.**

6. Your Class 5 Ballot ***must*** be returned to the Notice and Claims Agent so as to be ***actually received*** by the Notice and Claims Agent on or before the Voting/Opt-Out Deadline. **The Voting/Opt-Out Deadline is October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time. For any ballot cast via electronic mail, the received date and time in the Notice and Claims Agent's inbox will be used as a timestamp for receipt.

7. If a Class 5 Ballot is received after the Voting/Opt-Out Deadline and if the Voting/Opt-Out Deadline is not extended, it may be counted only in the sole and absolute discretion of the Debtors. Additionally, **the following Class 5 Ballots will *not* be counted:**

   (a) any Class 5 Ballot that partially rejects and partially accepts the Plan;
   (b) Class 5 Ballots sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent), any indenture trustee, or the Debtors' financial or legal advisors;
   (c) Class 5 Ballots sent by facsimile;
   (d) any Class 5 Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
   (e) any Class 5 Ballot cast by a Person that does not hold a Claim in Class 5;
   (f) any Class 5 Ballot submitted by a Holder not entitled to vote pursuant to the Plan;

(g) any unsigned Class 5 Ballot;
(h) any non-original Class 5 Ballot; and/or
(i) any Class 5 Ballot not marked to accept or reject the Plan or any Class 5 Ballot marked both to accept and reject the Plan.

8. The method of delivery of Class 5 Ballots to the Notice and Claims Agent is at the election and risk of each Holder of a Class 5 Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Notice and Claims Agent ***actually receives*** the originally executed Class 5 Ballot. In all cases, Holders should allow sufficient time to assure timely delivery.

9. If multiple Class 5 Ballots are received from the same Holder of a Class 5 Claim with respect to the same Claim prior to the Voting/Opt-Out Deadline, the latest, timely received, and properly completed Class 5 Ballot will supersede and revoke any earlier received Class 5 Ballots.

10. You must vote all of your Claims within Class 5 either to accept or reject the Plan and may **not** split your vote.

11. This Class 5 Ballot does ***not*** constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

12. **Please be sure to sign and date your Class 5 Ballot**. If you are signing a Class 5 Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you must indicate such capacity when signing and, if required or requested by the Notice and Claims Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Class 5 Ballot.

13. If you hold Claims in more than one Class under the Plan you may receive more than one ballot coded for each different Class. Each ballot votes ***only*** your Claims indicated on that ballot, so please complete and return each ballot that you received.

PLEASE SUBMIT YOUR CLASS 5 BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS CLASS 5 BALLOT, THESE VOTING INSTRUCTIONS OR THE PROCEDURES FOR VOTING, PLEASE CALL THE RESTRUCTURING HOTLINE AT: 877-476-4387 (TOLL FREE) OR EMAIL AACINFO@DONLINRECANO.COM.

IF THE NOTICE AND CLAIMS AGENT DOES NOT *ACTUALLY RECEIVE* THIS CLASS 5 BALLOT ON OR BEFORE THE VOTING/OPT-OUT DEADLINE, WHICH IS ON OCTOBER 1, 2020, AT 4:00 P.M., PREVAILING EASTERN TIME (AND IF THE VOTING/OPT-OUT DEADLINE IS NOT EXTENDED), YOUR VOTE TRANSMITTED HEREBY MAY BE COUNTED ONLY IN THE DISCRETION OF THE DEBTORS.

SCHEDULE 3

Form of Unimpaired Non-Voting Status Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDER OF UNIMPAIRED CLAIMS CONCLUSIVELY PRESUMED TO ACCEPT THE PLAN

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d)

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE THAT because of the nature and treatment of your Claim under the Plan, ***you are not entitled to vote on the Plan***. Specifically, under the terms of the Plan, as a Holder of a Claim (as currently asserted against the Debtors) that is Unimpaired and conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, you are ***not*** entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan (the "Sale/Confirmation Hearing") will commence on **October [14], 2020, at 10:00 A.M.**, prevailing Eastern Time, before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time (the "Sale/Plan Objection Deadline"). Any objection to the Plan ***must***: (a) be in writing; (b) conform to the Bankruptcy Rules, the Bankruptcy Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be ***actually received*** on or before the Sale/Plan Objection Deadline:

Counsel to the Debtors	
Greenberg Traurig, LLP Dennis A. Meloro The Nemours Building 1007 North Orange Street, Suite 1200 Wilmington, Delaware 19801 Telephone: (302) 661-7000 Facsimile: (302) 661-7360 Email: melorod@gtlaw.com	**Greenberg Traurig, LLP** David B. Kurzweil Alison Elko Franklin Terminus 200 3333 Piedmont Road, NE, Suite 2500 Atlanta, Georgia 30305 Telephone: (678) 553-2100 Facsimile: (678) 553-2212 Email: kurzweild@gtlaw.com franklinae@gtlaw.com

Counsel to the Official Committee of Unsecured Creditors Appointed in These Chapter 11 Cases	
Cole Schotz P.C. Justin R. Alberto Andrew Roth-Moore 500 Delaware Avenue Suite 1410 Wilmington, DE 19801 Telephone: (302) 652-3131 Facsimile: (302) 652-3117 Email: jalberto@coleschotz.com aroth-moore@coleschotz.com	**Cole Schotz P.C.** Seth Van Aalten Michael Trentin Anthony De Leo 1325 Avenue of the Americas 19th Floor New York, NY 10019 Telephone: (212) 752-8000 Facsimile: (212) 752-8393 Email: svanaalten@coleschotz.com mtrentin@coleschotz.com adeleo@coleschotz.com
U.S. Trustee	
Attn: Rosa Sierra Office of the United States Trustee for the District of Delaware 844 King Street Wilmington, DE 19801	
Counsel to the Ad Hoc Committee of Certain Senior Lenders and Junior Lenders and the DIP Lenders	
Stroock & Stroock & Lavan LLP Sayan Bhattacharyya Daniel A. Fliman 180 Maiden Lane New York, New York 10038 Email: sbhattacharyya@stroock.com dfliman@stroock.com	**Young Conaway Stargatt & Taylor, LLP** Matthew B. Lunn Robert Poppiti Rodney Square, 1000 North King Street Wilmington, DE 19801 Email: mlunn@ycst.com rpoppiti@ycst.com
Counsel to the Prepetition Agents and the DIP Agent	
Richards, Layton & Finger, P.A. Mark D. Collins Amanda R. Steele One Rodney Square 920 North King Street Wilmington, DE 19801 Email: collins@rlf.com steele@rlf.com	**Kilpatrick Townsend & Stockton LLP** Todd C. Meyers 1100 Peachtree Street NE Suite 2800 Atlanta, GA 30309-4528 Email: tmeyers@kilpatricktownsend.com - and - Todd C. Meyers Gianfranco Finizio Kelly E. Moynihan 1114 Avenue of the Americas New York, NY 10036 Email: gfinizio@kilpatricktownsend.com kmoynihan@kilpatricktownsend.com

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent") by: (a) calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE THAT Article X of the Plan contains release, exculpation, and injunction provisions, and Article X.F contains a Third Party Release. Attached hereto as **Exhibit A** is the language of the Third Party Release. **ALL HOLDERS OF CLAIMS THAT ARE UNIMPAIRED AND, THUS, PRESUMED TO HAVE ACCEPTED THE PLAN WILL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE.**

GREENBERG TRAURIG, LLP

Draft
David B. Kurzweil (admitted *pro hac vice*)
Alison Elko Franklin (admitted *pro hac vice*)
Terminus 200
3333 Piedmont Road, NE, Suite 2500
Atlanta, Georgia 30305
Telephone: (678) 553-2100
Facsimile: (678) 553-2212
Email: kurzweild@gtlaw.com
franklinae@gtlaw.com

Dated: [●], 2020

Draft
Dennis A. Meloro (DE Bar No. 4435)
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 661-7000
Facsimile: (302) 661-7360
Email: melorod@gtlaw.com

Counsel for the Debtors and Debtors in Possession

EXHIBIT A

Article X.F of the Plan provides for the following Third Party Release.

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Releasing Party[1] is deemed to have forever released, waived, and discharged each of the Debtors, Reorganized Debtors, and Released Party[2] from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims asserted or assertable on behalf of the Debtors or their respective Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), any securities issued by the Debtors and the ownership thereof, the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), any intercompany transaction, the DIP Loan Documents, Senior Lien Loan Documents, the Junior Lien Loan

[1] "*Releasing Party*" means each of the following, solely in its capacity as such: (a) the DIP Agent; (b) the DIP Lenders; (c) the Junior Lien Agent; (d) the Junior Lenders; (e) the Senior Lien Agent; (f) the Senior Lenders; (g) each Buyer, if any; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, (k) with respect to each of the foregoing entities in clauses (a) through (j), such entity's respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; (l) each of the Debtors' respective current and former Affiliates, and each of such entity's, and such entity's current and former affiliates', current and former equity holders (other than current and former Holders of Interests of AAC Holdings) (regardless of whether such interests are held directly or indirectly), subsidiaries, officers, directors, managers, principals, members, employees, agents, advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (m) all Holders of Claims that vote, or are deemed, to accept the Plan; (n) all Holders of Claims in voting classes that abstain from voting on the Plan and do not opt out of the releases provided by the Plan; (o) all Holders of Claims that vote to reject the Plan and do not opt out of the releases provided by the Plan; and (p) all other Holders of Claims to the maximum extent permitted by law; provided, however, that, notwithstanding anything to the contrary above, with respect to any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, any Holder of a Claim or Interest in such Class shall not be a "Releasing Party" on account of such Claim or Interest (but, for the avoidance of doubt, such Holder could still be a "Releasing Party" with respect to a different Claim or Interest if it is also the Holder of such different Claim or Interest and otherwise meets the definition of "Releasing Party" on account of that different Claim or Interest).

[2] "*Released Party*" means each of the following, solely in its capacity as such: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Junior Lien Agent; (e) the Junior Lenders; (f) the Senior Lien Agent; (g) the Senior Lenders; (h) the Committee, (i) the PCO, (j) the Plan Administrator, if any, and (l) with respect to the foregoing clauses (a) through (j), each such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, control persons, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, participants, managed accounts or funds, fund advisors, predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, investment managers, and other professionals, each in their capacity as such; *provided* that any Holder of a Claim that opts out of the releases contained in the Plan and any Holder of a Claim or Interest that is not a Releasing Party shall not be a "Released Party."

Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Disclosure Statement, the DIP Facility, the Plan, the Plan Supplement or any Asset Sale, solicitation of votes on the Plan, the prepetition negotiation and settlement of Claims, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, except for Claims related to any act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, knowing violation of law or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan (the "Third Party Release"). Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any post-Effective Date obligations of any party or Entity under the Plan, the Asset Sales, or any document, instrument, or agreement (including the Restructuring Documents, and other documents, instruments, and agreements set forth in the Plan Supplement) executed to implement the Plan and (2) any indemnification obligations of the Term Loan Lenders owed to the Term Loan Agent pursuant to the Term Loan Credit Agreement and shall not result in a release, waiver, or discharge of any of the Debtors' or Post-Effective Date Debtors' assumed indemnification provisions as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including, without limitation, the Released Parties' contributions to facilitating the restructuring and implementing the Plan, including with respect to a Restructuring Transaction and Asset Sales, as applicable; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their respective Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

SCHEDULE 4

Form of Impaired Non-Voting Status Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

NOTICE OF NON-VOTING STATUS TO HOLDERS OF IMPAIRED CLAIMS OR INTERESTS CONCLUSIVELY PRESUMED TO REJECT THE PLAN

PLEASE TAKE NOTICE THAT on June 20, 2020, AAC Holdings, Inc. ("AAC") and the above-captioned debtors and debtors in possession (together with AAC, the "Debtors") each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT you are receiving this Notice because you have been identified as: (i) a shareholder of AAC and/or (ii) a Holder of a Subordinated Claim against the Debtors.

PLEASE TAKE FURTHER NOTICE THAT the Debtors filed the *Joint Chapter 11 Plan of AAC Holdings, Inc and its Debtor Affiliates* (as it may be amended, modified or supplemented from time to time, the "Plan") [Docket No. 191].

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

PLEASE TAKE NOTICE THAT on [●], 2020, the Bankruptcy Court entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing the Debtors to solicit acceptances for the Plan;[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE THAT if you are a shareholder of AAC, under the terms of the Plan, your Interest(s) in AAC shall be cancelled, released, and extinguished, and will be of no further force or effect and no Holder of Interests in AAC Holdings shall be entitled to any recovery or distribution under the Plan on account of such Interests.

PLEASE TAKE FURTHER NOTICE THAT if you are a Holder of a Subordinated Claim, under the terms of the Plan, your Subordinated Claim will be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Subordinated Claim will not receive any distribution on account of such Subordinated Claim.

PLEASE TAKE FURTHER NOTICE THAT because of the nature and treatment of your Interest or Claim under the Plan, ***you are not entitled to vote on the Plan***. Specifically, under the terms of the Plan, as a Holder of a Subordinated Claim or Interest in AAC (as currently asserted against the Debtors) that is receiving no distribution under the Plan, you are deemed to reject the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan (the "Sale/Confirmation Hearing") will commence on **October 14, 2020, at 10:00 A.M.**, prevailing Eastern Time, before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, in the Bankruptcy Court, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time (the "Sale/Plan Objection Deadline"). Any objection to the Plan ***must***: (a) be in writing; (b) conform to the Bankruptcy Rules, the Bankruptcy Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be ***actually received*** on or before the Sale/Plan Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT if the Plan is confirmed and the Debtor Release provided for in Article X.E of the Plan is approved as proposed, then to the extent Holders of Claims or Interests have any derivative claims or causes of action against the Released Parties

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

that are asserted or assertable on behalf of the Debtors or their respective Estates, such derivative claims and causes of action would be released.

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by: (a) the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

GREENBERG TRAURIG, LLP

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Dated: [●], 2020

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Counsel for the Debtors and Debtors in Possession

SCHEDULE 5

Form of Notice to Disputed Claim Holders

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

NOTICE OF VOTING STATUS WITH RESPECT TO DISPUTED CLAIMS

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because you are the Holder of a Claim that is subject to a pending objection by the Debtors, a copy of which is enclosed with this notice. Absent further order of the Court or a Resolution Event (as defined below) to the contrary, (a) if your Claim is subject of a pending objection on a "reduce and allow" basis, you are entitled to vote your Claim in the reduced amount contained in the objection, or (b) if your Claim is subject to a pending objection to reclassify the Claim into a Voting Class, you are entitled to vote your Claim in such Voting Class, and to the extent the objection also seeks to "reduce and allow" your Claim, you are entitled to vote such Claim in the reduced amount contained in the objection.

PLEASE TAKE FURTHER NOTICE THAT if your Claim is subject to an objection other than (a) a "reduce and allow" objection or (b) an objection to reclassify the Claim into a Voting Class, you shall not be entitled to vote to accept or reject the Plan on account of such Claim unless one or more of the following events takes place at or prior to the Confirmation Hearing (each, a "Resolution Event"):

1. an order of the Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;

2. an order of the Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;

3. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or

4. the pending objection to such Claim is voluntarily withdrawn by the objecting party.

Accordingly, this notice is being sent to you for informational purposes only. **Notwithstanding a pending objection to your Claim, you are entitled to return the Opt Out Form that you received with your Ballot in accordance with the procedures provided for therein**.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions or would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, other documents and materials included in the Solicitation Package, or related documents, you should contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by: calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE THAT you previously received a Ballot for purposes of voting on the Plan. You should return such Ballot and Opt-Out Form to the Notice and Claims Agent in accordance with the applicable instructions no later than the Voting/Opt-Out Deadline, which is **October 1, 2020 at 4:00 P.M., prevailing Eastern Time**, and such Ballot will

be counted in accordance with the Disclosure Statement Order and any applicable Resolution Event with respect to your Claim.

GREENBERG TRAURIG, LLP

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Counsel for the Debtors and Debtors in Possession

Dated: [●], 2020

SCHEDULE 6

Form of Cover Letter

[●], 2020

Via First Class Mail

RE: **In re AAC Holdings, Inc., et al.,**
Chapter 11 Case No. 20-11648 (JTD) (Jointly Administered)

TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:

AAC Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors")[1] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "Court") on June 20, 2020.

You have received this letter and the enclosed materials because you may be entitled to vote on the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan").[2] On [●], 2020, the Court entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing the Debtors to solicit acceptances for the Plan; (b) approving the *Amended Disclosure Statement for the Amended Joint Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Package"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms used but not otherwise defined herein have the meanings as set forth in the Plan.

YOU ARE RECEIVING THIS LETTER BECAUSE YOU MAY BE ENTITLED TO VOTE ON THE PLAN. THEREFORE, YOU SHOULD READ THIS LETTER CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to Holders of Claims or Interests in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

a. a copy of the Solicitation and Voting Procedures;

b. the Disclosure Statement (and the exhibits attached thereto, including the Plan);

c. an appropriate Ballot together with detailed voting instructions with respect thereto;

d. the Cover Letter;

e. the Order (without schedules); and

f. the Sale/Confirmation Hearing Notice.

AAC Holdings, Inc. (on behalf of itself and each of the other Debtors) has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of their estates, Holders of Claims or Interests, and all other parties in interest. Moreover, the Debtors believe that any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses, which, in turn, likely would result in smaller distributions (or no distributions) or recoveries on account of Claims or Interests asserted in the Chapter 11 Cases.

THE DEBTORS STRONGLY URGE YOU TO PROPERLY AND TIMELY SUBMIT YOUR BALLOT CASTING A VOTE TO ACCEPT THE PLAN. THE VOTING/OPT-OUT DEADLINE IS 4:00 P.M. PREVAILING EASTERN TIME ON OCTOBER 1, 2020.

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, please feel free to contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov. Please be advised that the Notice and Claims Agent is authorized to answer questions about, and provide additional copies of, the solicitation materials, but may ***not*** advise you as to whether you should vote to accept or reject the Plan.

CRITICAL INFORMATION REGARDING RELEASES

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND ARTICLE X.F CONTAINS A THIRD PARTY RELEASE. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

ALL (A) HOLDERS OF CLAIMS OR INTERESTS IN THE DEBTORS THAT VOTE, OR ARE DEEMED, TO ACCEPT THE PLAN, (B) HOLDERS OF CLAIMS AND INTERESTS IN VOTING CLASSES THAT ABSTAIN FROM VOTING ON THE PLAN AND DO NOT TIMELY OPT OUT OF THE THIRD PARTY RELEASE PURSUANT TO THE PROCEDURES AUTHORIZED IN THE DISCLOSURE STATEMENT ORDER, AND (C) ALL HOLDERS OF CLAIMS AND INTERESTS THAT VOTE TO REJECT THE PLAN AND DO NOT TIMELY OPT OUT OF THE THIRD PARTY RELEASE PURSUANT TO THE PROCEDURES AUTHORIZED IN THE DISCLOSURE STATEMENT ORDER WILL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE; PROVIDED, HOWEVER, THAT ANY HOLDER OF A CLAIM OR INTEREST IN A CLASS THAT IS DEEMED TO REJECT THE PLAN PURSUANT TO SECTION 1126(g) OF THE BANKRUPTCY CODE SHALL NOT BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE ON ACCOUNT OF SUCH CLAIM OR INTEREST.

Sincerely,

_____

AAC Holdings, Inc. on its own behalf and for each of the Debtors

SCHEDULE 7

Form of Sale/Confirmation Hearing Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

NOTICE OF HEARING TO CONSIDER CONFIRMATION OF THE CHAPTER 11 PLAN FILED BY THE DEBTORS AND RELATED VOTING AND OBJECTION DEADLINES

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

"Solicitation Packages"); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan, which may include approval of a Sale Transaction as contemplated by the Bidding Procedures[3] (the "Sale/Confirmation Hearing") will commence on **October [14], 2020, at 10:00 A.M.**, prevailing Eastern Time, before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801.

PLEASE BE ADVISED: THE SALE/CONFIRMATION HEARING MAY BE CONTINUED FROM TIME TO TIME BY THE COURT OR THE DEBTORS **WITHOUT FURTHER NOTICE** OTHER THAN BY SUCH ADJOURNMENT BEING ANNOUNCED IN OPEN COURT OR BY A NOTICE OF ADJOURNMENT FILED WITH THE COURT AND SERVED ON ALL PARTIES ENTITLED TO NOTICE.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is **August 26, 2020** which is the date for determining which Holders of Claims in Classes 3, 4, and 5 are entitled to vote on the Plan.

Voting/Opt-Out Deadline. The deadline for voting on the Plan is on **October 1, 2020 at 4:00 P.M., prevailing Eastern Time** (the "Voting/Opt-Out Deadline"). If you received a Solicitation Package, including a Ballot and intend to vote on the Plan you ***must***: (a) follow the instructions carefully; (b) complete ***all*** of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the voting instructions so that it is ***actually received*** by the Debtors' notice and claims agent, Donlin, Recano & Company, Inc. (the "Notice and Claims Agent") on or before the Voting/Opt-Out Deadline. ***A failure to follow such instructions may disqualify your vote.***

CRITICAL INFORMATION REGARDING RELEASES

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND ARTICLE X.F CONTAINS A THIRD PARTY RELEASE. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

ALL (A) HOLDERS OF CLAIMS OR INTERESTS IN THE DEBTORS THAT VOTE, OR ARE DEEMED, TO ACCEPT THE PLAN, (B) HOLDERS OF CLAIMS AND INTERESTS IN VOTING CLASSES THAT ABSTAIN FROM VOTING ON THE PLAN AND DO NOT TIMELY OPT OUT OF THE THIRD PARTY RELEASE

[3] As defined in the *Motion of the Debtors for Entry of an Order: (I) Approving Bid Procedures for Sale Transaction, Plan Sponsorship Proposal and/or Partial Sale; (II) Approving Certain Bid Protections; (III) Approving Form and Manner of Notice of Bid Procedures and Related Deadlines; and (IV) Scheduling the Bid Deadline and the Auction* [Docket No. 100].

PURSUANT TO THE PROCEDURES AUTHORIZED IN THE DISCLOSURE STATEMENT ORDER, AND (C) ALL HOLDERS OF CLAIMS AND INTERESTS THAT VOTE TO REJECT THE PLAN AND DO NOT TIMELY OPT OUT OF THE THIRD PARTY RELEASE PURSUANT TO THE PROCEDURES AUTHORIZED IN THE DISCLOSURE STATEMENT ORDER WILL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE; PROVIDED, HOWEVER, THAT ANY HOLDER OF A CLAIM OR INTEREST IN A CLASS THAT IS DEEMED TO REJECT THE PLAN PURSUANT TO SECTION 1126(g) OF THE BANKRUPTCY CODE SHALL NOT BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE ON ACCOUNT OF SUCH CLAIM OR INTEREST.

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

Sale/Plan Objection Deadline. The deadline for filing objections to the Plan is **October 1, 2020 at 4:00 P.M., prevailing Eastern Time** (the "Sale/Plan Objection Deadline"). All objections to the relief sought at the Sale/Confirmation Hearing ***must***: (a) be in writing; (b) conform to the Bankruptcy Rules, the Bankruptcy Local Rules, and any orders of the Court; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; ***and*** (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be ***actually received*** on or before the Sale/Plan Objection Deadline:

Counsel to the Debtors	
Greenberg Traurig, LLP Dennis A. Meloro The Nemours Building 1007 North Orange Street, Suite 1200 Wilmington, Delaware 19801 Telephone: (302) 661-7000 Facsimile: (302) 661-7360 Email: melorod@gtlaw.com	**Greenberg Traurig, LLP** David B. Kurzweil Alison Elko Franklin Terminus 200 3333 Piedmont Road, NE, Suite 2500 Atlanta, Georgia 30305 Telephone: (678) 553-2100 Facsimile: (678) 553-2212 Email: kurzweild@gtlaw.com franklinae@gtlaw.com

Counsel to the Official Committee of Unsecured Creditors Appointed in These Chapter 11 Cases	
Cole Schotz P.C. Justin R. Alberto Andrew Roth-Moore 500 Delaware Avenue Suite 1410 Wilmington, DE 19801 Telephone: (302) 652-3131 Facsimile: (302) 652-3117 Email: jalberto@coleschotz.com aroth-moore@coleschotz.com	**Cole Schotz P.C.** Seth Van Aalten Michael Trentin Anthony De Leo 1325 Avenue of the Americas 19th Floor New York, NY 10019 Telephone: (212) 752-8000 Facsimile: (212) 752-8393 Email: svanaalten@coleschotz.com mtrentin@coleschotz.com adeleo@coleschotz.com
U.S. Trustee	
Attn: Rosa Sierra Office of the United States Trustee for the District of Delaware 844 King Street Wilmington, DE 19801	
Counsel to the Ad Hoc Committee of Certain Senior Lenders and Junior Lenders and the DIP Lenders	
Stroock & Stroock & Lavan LLP Sayan Bhattacharyya Daniel A. Fliman 180 Maiden Lane New York, New York 10038 Email: sbhattacharyya@stroock.com dfliman@stroock.com	**Young Conaway Stargatt & Taylor, LLP** Matthew B. Lunn Robert Poppiti Rodney Square, 1000 North King Street Wilmington, DE 19801 Email: mlunn@ycst.com rpoppiti@ycst.com
Counsel to the Prepetition Agents and the DIP Agent	
Richards, Layton & Finger, P.A. Mark D. Collins Amanda R. Steele One Rodney Square 920 North King Street Wilmington, DE 19801 Email: collins@rlf.com steele@rlf.com	**Kilpatrick Townsend & Stockton LLP** Todd C. Meyers 1100 Peachtree Street NE Suite 2800 Atlanta, GA 30309-4528 Email: tmeyers@kilpatricktownsend.com - and - Todd C. Meyers Gianfranco Finizio Kelly E. Moynihan 1114 Avenue of the Americas New York, NY 10036 Email: gfinizio@kilpatricktownsend.com kmoynihan@kilpatricktownsend.com

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions or if you would like to obtain additional solicitation materials (or paper copies of solicitation materials if you received a CD-ROM or flash drive), please feel free to contact the Debtors' Notice and Claims Agent, by: by calling 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. Please be advised that the Notice and Claims Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may ***not*** advise you as to whether you should vote to accept or reject the Plan. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov.

Election Notice. On or before **September 17, 2020**, the Debtors will file a file a notice (consistent with the election of the Consenting Lenders) indicating whether the Debtors will proceed with an Entire Company Asset Sale or a Reorganization Transaction (the "Election Notice").

The Plan Supplement. The Debtors will file the Plan Supplement (as defined in the Plan) on or before **September 24, 2020** and will serve on all parties on the 2002 List. If you would like to view the Election Notice or Plan Supplement, you may do so by visiting the section of the Notice and Claims Agent's website that contains information specific to the Plan and Disclosure Statement at: https://www.donlinrecano.com/Clients/aac/PlanOfReorg. The Plan Supplement will appear at the top of the page under "Plan of Reorganization."

BINDING NATURE OF THE PLAN:

IF CONFIRMED, THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS OR INTERESTS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WHETHER OR NOT SUCH HOLDER WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, HAS FILED A PROOF OF CLAIM OR INTEREST IN THE CHAPTER 11 CASES, OR FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTED TO REJECT THE PLAN.

GREENBERG TRAURIG, LLP

Draft
David B. Kurzweil (admitted *pro hac vice*)
Alison Elko Franklin (admitted *pro hac vice*)
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Email: kurzweild@gtlaw.com
franklinae@gtlaw.com

Counsel for the Debtors and Debtors in Possession

Dated: [●], 2020

SCHEDULE 8

Form of Cure Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

CURE NOTICE TO COUNTERPARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES THE DEBTORS MAY ASSUME AND ASSIGN

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the "Solicitation Packages"); (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

PLEASE TAKE FURTHER NOTICE THAT pursuant to Article V.A of the Plan, except as otherwise provided in the Plan, in any Asset Sale Agreements, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan or any Asset Sale Agreements, as of the Effective Date, each Debtor will be deemed to have assumed (and in the case of any Asset Sales, assumed and assigned to the applicable Buyer) each Executory Contract or Unexpired Lease to which such Debtor is a party, unless such Executory Contract or Unexpired Lease (i) was previously assumed or rejected; (ii) was previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion or notice to reject Filed on or before the Confirmation Date; or (iv) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, which the Debtors will file as part of a Plan Supplement on or before September 24, 2020, as contemplated under the Plan. .

PLEASE TAKE FURTHER NOTICE you are receiving this notice because the Debtors may assume (and assign if applicable) the Executory Contract(s) and Unexpired Lease(s) listed in **Exhibit A** attached hereto to which you are a party.[3] Therefore, you are advised to review carefully the information contained in this notice and the related provisions of the Plan. The determination to assume (and assign if applicable) the agreements identified on **Exhibit A** is subject to revision

PLEASE TAKE FURTHER NOTICE THAT section 365(b)(1) of the Bankruptcy Code requires a chapter 11 debtor to cure, or provide adequate assurance that it will promptly cure, any defaults under executory contracts and unexpired leases at the time of assumption (the "Cure Costs"). Accordingly, the Debtors have conducted a thorough review of their books and records and have determined the Cure Costs, if any, under the Executory Contract(s) and Unexpired Lease(s), which amounts are reflected on **Exhibit A**. Please note that if no Cure Cost is stated for a particular Executory Contract or Unexpired Lease, the Debtors believe that there is no Cure Cost.

PLEASE TAKE FURTHER NOTICE THAT absent any pending dispute, the Cure Costs arising under the Executory Contract(s) and Unexpired Lease(s) identified above will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by the Debtors in Cash on the Effective Date or as soon as reasonably practicable thereafter. In the event of a dispute, however, payment of the Cure Costs would be made following the entry of a final order(s) resolving the dispute and approving the assumption (and assignment if applicable). If an objection to the proposed assumption (and assignment if applicable) or related Cure Cost is sustained by the Court, however, the Debtors may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming it.

[3] Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on Exhibit A, nor anything contained in the Plan or each Debtor's schedule of assets and liabilities, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease capable of assumption, that any Reorganized Debtor(s) has any liability thereunder, or that such Executory Contract or Unexpired Lease is necessarily a binding and enforceable agreement. Further, the Debtors expressly reserve the right to (a) add or remove any Executory Contract or Unexpired Lease to or from the Schedule of Rejected Executory Contracts and Unexpired Leases pursuant to the terms of the Plan, up until the Effective Date and (b) contest any Claim (or cure amount) asserted in connection with assumption of any Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider, among other thigs, Confirmation of the Plan and the assumption or the assumption and assignment of Executory Contracts and Unexpired Leases (the "Sale/Confirmation Hearing") will commence on **October [14], 2020, at 10:00 A.M.**, prevailing Eastern Time, before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT (i) the deadline for filing objections to any assumption (and assignment if applicable) of an Executory Contract or Unexpired Lease and/or related cure amounts or adequate assurances proposed in connection therewith is **October 1, 2020, at 4:00 P.M.**, prevailing Eastern Time (the "Assumption/Cure Objection Deadline"), and (ii) the deadline for filing objections to the Plan is **October 1, 2020 at 4:00 P.M., prevailing Eastern Time** (the "Sale/Plan Objection Deadline"). Any such objections ***must***: (a) be in writing; (b) conform to the Bankruptcy Rules, the Bankruptcy Local Rules and any orders of the Court; (c) state, with particularity, the basis and nature of any objection and, if practicable, a proposed resolution for such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be ***actually received*** on or before the Assumption/Cure Objection Deadline or Sale/Plan Objection Deadline, as applicable:

Counsel to the Debtors	
Greenberg Traurig, LLP Dennis A. Meloro The Nemours Building 1007 North Orange Street, Suite 1200 Wilmington, Delaware 19801 Telephone: (302) 661-7000 Facsimile: (302) 661-7360 Email: melorod@gtlaw.com	**Greenberg Traurig, LLP** David B. Kurzweil Alison Elko Franklin Terminus 200 3333 Piedmont Road, NE, Suite 2500 Atlanta, Georgia 30305 Telephone: (678) 553-2100 Facsimile: (678) 553-2212 Email: kurzweild@gtlaw.com franklinae@gtlaw.com
Counsel to the Official Committee of Unsecured Creditors Appointed in These Chapter 11 Cases	
Cole Schotz P.C. Justin R. Alberto Andrew Roth-Moore 500 Delaware Avenue Suite 1410 Wilmington, DE 19801 Telephone: (302) 652-3131 Facsimile: (302) 652-3117 Email: jalberto@coleschotz.com aroth-moore@coleschotz.com	**Cole Schotz P.C.** Seth Van Aalten Michael Trentin Anthony De Leo 1325 Avenue of the Americas 19th Floor New York, NY 10019 Telephone: (212) 752-8000 Facsimile: (212) 752-8393 Email: svanaalten@coleschotz.com mtrentin@coleschotz.com adeleo@coleschotz.com

U.S. Trustee	
Attn: Rosa Sierra Office of the United States Trustee for the District of Delaware 844 King Street Wilmington, DE 19801	
Counsel to the Ad Hoc Committee of Certain Senior Lenders and Junior Lenders and the DIP Lenders	
Stroock & Stroock & Lavan LLP Sayan Bhattacharyya Daniel A. Fliman 180 Maiden Lane New York, New York 10038 Email: sbhattacharyya@stroock.com dfliman@stroock.com	**Young Conaway Stargatt & Taylor, LLP** Matthew B. Lunn Robert Poppiti Rodney Square, 1000 North King Street Wilmington, DE 19801 Email: mlunn@ycst.com rpoppiti@ycst.com
Counsel to the Prepetition Agents and the DIP Agent	
Richards, Layton & Finger, P.A. Mark D. Collins Amanda R. Steele One Rodney Square 920 North King Street Wilmington, DE 19801 Email: collins@rlf.com steele@rlf.com	**Kilpatrick Townsend & Stockton LLP** Todd C. Meyers 1100 Peachtree Street NE Suite 2800 Atlanta, GA 30309-4528 Email: tmeyers@kilpatricktownsend.com - and - Todd C. Meyers Gianfranco Finizio Kelly E. Moynihan 1114 Avenue of the Americas New York, NY 10036 Email: gfinizio@kilpatricktownsend.com kmoynihan@kilpatricktownsend.com

PLEASE TAKE FURTHER NOTICE that the Debtors propose that if no objection to the Cure Costs, or the proposed assumption or, if applicable, assumption and assignment of certain of the Contracts and Leases or, in the case of assumption and assignment, adequate assurance of the Buyer's ability to perform is filed by the Contract Objection Deadline, (i) you will be deemed to have agreed and stipulated that the Cure Cost(s) as determined by the Debtors are correct, (ii) you shall be forever barred, estopped, and enjoined from asserting any additional Cure Cost under the Contract or Lease and (iii) you will be forever barred from objecting to the assumption or, if applicable, assumption and assignment of the Contract or Lease.

PLEASE TAKE FURTHER NOTICE THAT any objections to the assumption of an Executory Contract or Unexpired Lease and/or related cure amounts or adequate assurances proposed in connection therewith that remain unresolved as of the Sale/Confirmation Hearing will be heard at the Sale/Confirmation Hearing (or such other date as fixed by the Court).

PLEASE TAKE FURTHER NOTICE that in the event of an Asset Sale pursuant to which an Executory Contract or Unexpired Lease to which you are party may be assumed and assigned to a Buyer, on or before September 22, 2020, the Debtors will file and send to you a notice identifying the Buyer(s) to which such Executory Contract or Unexpired Lease are to be assigned. The notice will contain instructions for obtaining further information regarding the Buyer and its ability to perform under the Executory Contract or Unexpired Lease, as well as instructions for filing an objection to adequate assurance of the Buyer's future performance.

PLEASE TAKE FURTHER NOTICE THAT notwithstanding anything herein, this notice shall not be deemed to be an assumption, assignment, adoption, rejection or termination of any of the Executory Contracts and Unexpired Leases. Moreover, the Debtors explicitly reserve their rights to reject or assume each Executory Contract or Unexpired Lease pursuant to section 365(a) of the Bankruptcy Code and nothing herein (i) alters in any way the prepetition nature of the Executory Contracts and Unexpired Leases or the validity, priority, or amount of any claims of a counterparty to an Executory Contract or Unexpired Lease against the Debtors that may arise under such Executory Contract or Unexpired Lease, (ii) creates a post-petition contract or agreement or (iii) elevates to administrative expense priority any claims of a counterparty to an Executory Contract or Unexpired Lease against the Debtors that may arise under such Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE THAT ASSUMPTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE PURSUANT TO THE PLAN OR OTHERWISE SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS OR DEFAULTS, WHETHER MONETARY OR NONMONETARY, INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR OWNERSHIP INTEREST COMPOSITION OR OTHER BANKRUPTCY-RELATED DEFAULTS, ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT OR UNEXPIRED LEASE AT ANY TIME BEFORE THE DATE OF THE DEBTORS OR REORGANIZED DEBTORS ASSUME SUCH EXECUTORY CONTRACT OR UNEXPIRED LEASE. ANY PROOFS OF CLAIM FILED WITH RESPECT TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT HAS BEEN ASSUMED SHALL BE DEEMED DISALLOWED AND EXPUNGED, WITHOUT FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by: (i) calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov. Please be advised that the Notice and Claims Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may ***not*** advise you as to whether you should vote to accept or reject the Plan

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND **ARTICLE X.F CONTAINS A THIRD PARTY RELEASE**. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

THIS NOTICE IS BEING SENT TO YOU FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN OR IF YOU WOULD LIKE TO OBTAIN ADDITIONAL INFORMATION, CONTACT THE NOTICE AND CLAIMS AGENT.

GREENBERG TRAURIG, LLP

Draft
David B. Kurzweil (admitted *pro hac vice*)
Alison Elko Franklin (admitted *pro hac vice*)
Terminus 200
3333 Piedmont Road, NE, Suite 2500
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Facsimile: (302) 661-7360
Email: melorod@gtlaw.com

Counsel for the Debtors and Debtors in Possession

Dated: [●], 2020

Exhibit A

Schedule of Contracts and Leases and Proposed Cure Cost

Debtor	Counterparty	Description of Assumed Contracts or Leases	Cure Cost

Schedule 9

Form of Adequate Assurance Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AAC HOLDINGS, INC., *et al*.,[1]	Case No. 20-11648 (JTD)
Debtors.	(Jointly Administered)

NOTICE OF ADEQUATE ASSURANCE INFORMATION OF BUYER IN ASSET SALE

PLEASE TAKE NOTICE THAT on [●], 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order [Docket No. [●]] (the "Disclosure Statement Order"): (a) authorizing AAC Holdings, Inc and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of AAC Holdings, Inc. and its Debtor Affiliates* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors' corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

"Solicitation Packages"); (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE THAT you should have previously received a Cure Notice identifying (i) the Executory Contract(s) and Unexpired Lease(s) to which you are a party that the Debtors may assume (and assign if applicable) and (ii) the proposed Cure Costs related to such Executory Contract(s) and Unexpired Lease(s).

PLEASE TAKE FURTHER NOTICE THAT the Debtors have identified [●] as a buyer (the "Buyer") with respect to an Asset Sale, as contemplated in the Plan, and that in connection with such Asset Sale, the Buyer has designated the Executory Contract(s) and Unexpired Lease(s) to which you are a party as a Executory Contract(s) or Unexpired Lease(s) that the Debtors may assume and assign to the Buyer.[3]

PLEASE TAKE FURTHER NOTICE THAT in accordance with section 365 of the Bankruptcy Code, you may request adequate assurance of future performance from the Buyer at the email addresses listed below. When requesting such information, any such party shall (i) identify itself (or if the party is an individual, himself or herself), (ii) identify the applicable Executory Contract(s) or Unexpired Lease(s) to which the request relates and the date thereof, and (iii) provide an email address to which the adequate assurance information can be sent. The adequate assurance information provided by the Buyer shall be kept confidential pursuant to the Disclosure Statement Order.

Contact Information:

[●]

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider, among other thigs, Confirmation of the Plan and the assumption and assignment of Executory Contracts and Unexpired Leases (the "Sale/Confirmation Hearing") will commence on **October [14], 2020, at 10:00 A.M.**, prevailing Eastern Time, before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT any objection to adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease (an "Adequate Assurance Objection") must (i) be in writing; (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Court and served by **October 1, 2020 at 4:00 P.M.** prevailing Eastern Time on the following:

[3] Nothing in this notice or anything contained in the Plan or each Debtor's schedule of assets and liabilities, shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease capable of assumption, that any Reorganized Debtor(s) has any liability thereunder, or that such Executory Contract or Unexpired Lease is necessarily a binding and enforceable agreement. Further, the Debtors expressly reserve the right to (a) add or remove any Executory Contract or Unexpired Lease to or from the Schedule of Rejected Executory Contracts and Unexpired Leases pursuant to the terms of the Plan, up until the Effective Date and (b) contest any Claim (or cure amount) asserted in connection with assumption of any Executory Contract or Unexpired Lease.

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Counsel to the Official Committee of Unsecured Creditors Appointed in These Chapter 11 Cases	
Cole Schotz P.C. Justin R. Alberto Andrew Roth-Moore 500 Delaware Avenue Suite 1410 Wilmington, DE 19801 Telephone: (302) 652-3131 Facsimile: (302) 652-3117 Email: jalberto@coleschotz.com aroth-moore@coleschotz.com	**Cole Schotz P.C.** Seth Van Aalten Michael Trentin Anthony De Leo 1325 Avenue of the Americas 19th Floor New York, NY 10019 Telephone: (212) 752-8000 Facsimile: (212) 752-8393 Email: svanaalten@coleschotz.com mtrentin@coleschotz.com adeleo@coleschotz.com
U.S. Trustee	
Attn: Rosa Sierra Office of the United States Trustee for the District of Delaware 844 King Street Wilmington, DE 19801	
Counsel to the Ad Hoc Committee of Certain Senior Lenders and Junior Lenders and the DIP Lenders	
Stroock & Stroock & Lavan LLP Sayan Bhattacharyya Daniel A. Fliman 180 Maiden Lane New York, New York 10038 Email: sbhattacharyya@stroock.com dfliman@stroock.com	**Young Conaway Stargatt & Taylor, LLP** Matthew B. Lunn Robert Poppiti Rodney Square, 1000 North King Street Wilmington, DE 19801 Email: mlunn@ycst.com rpoppiti@ycst.com

Counsel to the Prepetition Agents and the DIP Agent	
Richards, Layton & Finger, P.A. Mark D. Collins Amanda R. Steele One Rodney Square 920 North King Street Wilmington, DE 19801 Email: collins@rlf.com steele@rlf.com	**Kilpatrick Townsend & Stockton LLP** Todd C. Meyers 1100 Peachtree Street NE Suite 2800 Atlanta, GA 30309-4528 Email: tmeyers@kilpatricktownsend.com - and - Todd C. Meyers Gianfranco Finizio Kelly E. Moynihan 1114 Avenue of the Americas New York, NY 10036 Email: gfinizio@kilpatricktownsend.com kmoynihan@kilpatricktownsend.com
Counsel to the Buyer	
[●]	

PLEASE TAKE FURTHER NOTICE THAT notwithstanding anything herein, this notice shall not be deemed to be an assumption, assignment, adoption, rejection or termination of any of the Executory Contracts and Unexpired Leases. Moreover, the Debtors explicitly reserve their rights to reject or assume each Executory Contract or Unexpired Lease pursuant to section 365(a) of the Bankruptcy Code and nothing herein (i) alters in any way the prepetition nature of the Executory Contracts and Unexpired Leases or the validity, priority, or amount of any claims of a counterparty to an Executory Contract or Unexpired Lease against the Debtors that may arise under such Executory Contract or Unexpired Lease, (ii) creates a post-petition contract or agreement or (iii) elevates to administrative expense priority any claims of a counterparty to an Executory Contract or Unexpired Lease against the Debtors that may arise under such Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE THAT ASSUMPTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE PURSUANT TO THE PLAN OR OTHERWISE SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS OR DEFAULTS, WHETHER MONETARY OR NONMONETARY, INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR OWNERSHIP INTEREST COMPOSITION OR OTHER BANKRUPTCY-RELATED DEFAULTS, ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT OR UNEXPIRED LEASE AT ANY TIME BEFORE THE DATE OF THE DEBTORS OR REORGANIZED DEBTORS ASSUME SUCH EXECUTORY CONTRACT OR UNEXPIRED LEASE. ANY PROOFS OF CLAIM FILED WITH RESPECT TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT HAS BEEN ASSUMED SHALL BE DEEMED DISALLOWED AND EXPUNGED, WITHOUT FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Donlin, Recano & Company, Inc., the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by: (i) calling the Notice and Claims Agent at 877-476-4387 (toll free); (ii) visiting the Debtors' restructuring website at: https://www.donlinrecano.com/Clients/aac/Index; or (iii) writing to the Notice and Claims Agent at Donlin, Recano & Company, Inc., Re: AAC Holdings, Inc., *et al.*, P.O. Box 199043 Blythebourne Station, Brooklyn, New York 11219. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.deb.uscourts.gov. Please be advised that the Notice and Claims Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may ***not*** advise you as to whether you should vote to accept or reject the Plan

ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND **ARTICLE X.F CONTAINS A THIRD PARTY RELEASE**. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

THIS NOTICE IS BEING SENT TO YOU FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN OR IF YOU WOULD LIKE TO OBTAIN ADDITIONAL INFORMATION, CONTACT THE NOTICE AND CLAIMS AGENT.

GREENBERG TRAURIG, LLP

Draft
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Dated: [●], 2020

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Counsel for the Debtors and Debtors in Possession

Exhibit E

Liquidation Analysis

Liquidation Analysis

Overview:

This Liquidation Analysis[1] has been prepared assuming that the Debtors hypothetically liquidate under a chapter 7 plan of liquidation as of November 1, 2020. It is assumed that the Bankruptcy Court would appoint a chapter 7 trustee (the "Chapter 7 Trustee") on the date of conversion of these Chapter 11 Cases to cases under chapter 7 to oversee the liquidation of the Debtors' Estates, during which time substantially all of the Debtors' assets would be sold, abandoned, surrendered, or otherwise liquidated, as applicable, and the cash proceeds, net of liquidation-related costs, would then be distributed in accordance with applicable law. Given the nature of the Debtors' business, the Chapter 7 Trustee would proceed under an orderly liquidation and not a forced liquidation.

This Liquidation Analysis has not been examined or reviewed by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants. Although the Debtors consider the estimates and assumptions set forth herein to be reasonable under the circumstances, such estimates and assumptions are inherently subject to significant uncertainties and contingencies beyond the Debtors' control. Accordingly, there can be no assurance that the results set forth by this Liquidation Analysis would be realized if the Debtors were actually liquidated pursuant to chapter 7 of the Bankruptcy Code, and actual results in such a case could vary materially from those presented herein, and distributions available to Holders of Claims and Interests could differ materially from the projected recoveries set forth by this Liquidation Analysis.

THIS LIQUIDATION ANALYSIS IS A HYPOTHETICAL EXERCISE THAT HAS BEEN PREPARED FOR THE SOLE PURPOSE OF PRESENTING A REASONABLE, GOOD FAITH ESTIMATE OF THE PROCEEDS THAT WOULD BE REALIZED IF THE DEBTORS WERE LIQUIDATED IN ACCORDANCE WITH CHAPTER 7 OF THE BANKRUPTCY CODE AS OF THE CONVERSION DATE. THIS LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THIS LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A VALUATION OF THE DEBTORS' ASSETS AS A GOING CONCERN AND THERE MAY BE A SIGNIFICANT DIFFERENCE BETWEEN THE VALUES AND RECOVERIES REPRESENTED IN THIS LIQUIDATION ANALYSIS AND THE VALUES THAT MAY BE REALIZED OR CLAIMS GENERATED IN AN ACTUAL LIQUIDATION.

NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES OR IN ANY SUBSEQUENT CHAPTER 7 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Joint Chapter 11 Plan of AAC Holdings, Inc. and Its Debtor Affiliates (the "Plan") and the Disclosure Statement for the Joint Plan of AAC Holdings, Inc. and Its Debtor Affiliates (the "Disclosure Statement").

THIS LIQUIDATION ANALYSIS. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

The Debtors have determined, as summarized in the following analysis, that confirmation of the Plan will provide Holders of Claims and Interests with a recovery that is not less than what they would otherwise receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Basis of Presentation

The Claim amounts set forth herein are estimates as of the date hereof. Accordingly, the actual amount and/or priority of Claims Allowed against the Debtors' Estates may differ from the Claim amounts used in this Liquidation Analysis. In addition, the actual value of assets available for distribution in the event of an actual liquidation may differ materially from the assets assumed to be available pursuant to this Liquidation Analysis and their related liquidation value.

Global Notes & Assumptions

This Liquidation Analysis should be read in conjunction with, and is qualified in its entirety by, the following notes and assumptions:

1) **Additional Claims.** The cessation and liquidation of a business in a chapter 7 is likely to cause additional Claims to be asserted against the Debtors' Estates that otherwise would not exist absent such a liquidation. Examples of these kinds of Claims include employee-related Claims (such as severance, WARN Act or other similar Claims), tax liabilities and Claims related to the rejection of Unexpired Leases and Executory Contracts. These additional Claims could be significant and, in certain circumstances, may be entitled to priority under the Bankruptcy Code. No adjustment has been made for these potential Claims in this Liquidation Analysis.

2) **Intercompany Relationships.** In order to estimate the Debtors' recovery with respect to certain intercompany balances and investments, this Liquidation Analysis assumes substantially all of the Debtors will undertake parallel liquidations, whereby the proceeds of such liquidations are, in turn, distributed in accordance with priority of Claims and ownership on an entity-by-entity basis.

3) **Length of Liquidation Process:** The Liquidation Analysis assumes a three month process to conduct the orderly disposition of substantially all the Debtors' assets, collect receivables, arrange for distributions and winddown the Debtors' Estates. However, the winddown of the Debtors may be substantially more complex and require significantly more time, and associated costs could materially reduce the recoveries contemplated herein.

Specific Notes to the Liquidation Analysis:

This Liquidation Analysis assumes an orderly, in-court, winddown of the Debtors and their Estates beginning on November 1, 2020 and is for illustrative purposes only.

- Estimated recoveries are based on:
  - A projected cash balance of $28.9 million as of November 1, 2020.
  - Current asset and fixed asset balances are as of May 2020 or June 2020 as noted in the liquidation analysis.
- New admissions are expected to cease on November 1, 2020 and all patients as of that date will be discharged or transitioned to new facilities within thirty (30) days. All facilities will cease operations on December 1, 2020.
- This Liquidation Analysis reflects the application of numerous subjective assumptions. High, Medium, and Low cases have been modeled to reflect a range of potential recoveries.
- A significant portion of the potential recoveries under the Liquidation Analysis is attributed to the sale of the Debtors' various facilities. There are no current appraisals of these facilities; therefore, the estimates are based on current book value. Since the Debtors' facilities were purchased as on-going business entities, the current book value was recorded at a value that is likely much greater than the value if sold as real estate only without the cash flow from an operating entity. For purposes of the Liquidation Analysis, it is assumed that the book value is overstated and the discounted value is reflected in the chart below.
- Included in the recoveries is a sale of the Debtors' websites, which are valued per the relief from royalty methodology as described below.

A. Total and Net Liquidation Proceeds

Estimated total liquidation proceeds range from $97.1 million to $155.1 million. Net liquidation proceeds available for distribution to creditors range from $82.7 million to $139.0 million. The estimated amount of total liquidation proceeds and net proceeds available for distribution to creditors is highly sensitive to assumptions regarding recoveries from accounts receivable and real estate sales and related winddown costs.

B. Website Valuation

The liquidation value of the Debtors' websites range from $2.7 million to $4.5 million. They are based on the "relief from royalty" method and use estimates from a KPMG report entitled "AAC Holdings Referral Solutions Group Report" dated July 2015 which gives estimated royalty rates derived from similar websites. This liquidation value was based on five years of constant revenue discounted at 20% with no terminal value.

C. Liquidation Expenses

Estimated liquidation expenses are estimated to range from $17.3 million to $19.0 million and are based on an orderly shutdown beginning November 1, 2020. Admissions will cease on that date and all patients will be transferred or discharged within thirty (30) days. It is anticipated that non-essential employees (such as business development, marketing and admissions employees) will be terminated immediately. Facility operations will winddown as patients are transferred or discharged and operations will cease on December 1, 2020.

D. Claims

(1) Secured Claims

Estimated recoveries are highly sensitive to all underlying assumptions regarding the net liquidation value of the Debtors' assets. Recoveries consist of the proceeds from accounts receivable collections and asset sales (including websites), less winddown costs.

(2) Chapter 11 Administrative Claims

Chapter 11 Administrative Claims arising in a hypothetical chapter 7 liquidation may include, among other things, Claims arising under Section 503(b)(9) of the Bankruptcy Code, Chapter 11 post-petition accounts payable, post-petition tax Claims, and amounts due under the KEIP and KERP.

The Liquidation Analysis concludes that Chapter 11 Administrative Claims, will receive no recovery in a "High," "Medium" or "Low" scenario in a chapter 7 liquidation.

(3) Priority Claims

Priority Claims arising in a hypothetical chapter 7 liquidation may include, among other things, Priority Tax Claims.

The Liquidation Analysis concludes that Priority Claims, will receive no recovery in a "High," "Medium" or "Low" scenario in a chapter 7 liquidation.

(4) General Unsecured Claims

Unsecured Claims arising in a hypothetical chapter 7 liquidation may include, among other things, prepetition trade Claims, lease and contract rejection damages Claims, intercompany claims and other contingent, unliquidated Claims relating to pending lawsuits.

The Liquidation Analysis concludes that Unsecured Claims, will receive no recovery in a "High," "Medium" or "Low" scenario in a chapter 7 liquidation.

$ in 000's **Asset Value**	**NBV / NPV**	**Recovery Factor**	**High**	**Recovery Factor**	**Medium**	**Recovery Factor**	**Low**
Current Assets							
Cash & Cash Equivalents[1]	$28,888	100%	$28,888	100%	$28,888	100%	$28,888
Accounts Receivable (Net)							
Unbilled[2]	5,493	75%	4,120	65%	3,570	55%	3,021
<90 Days	16,741	80%	13,393	70%	11,719	60%	10,045
>90 Days	7,858	50%	3,929	40%	3,143	30%	2,357
AdCare	4,800	80%	3,840	70%	3,360	60%	2,880
Prepaid Expenses & Other Current Assets	4,950	15%	743	10%	495	5%	248
Total Current Assets	**68,731**	**80%**	**54,913**	**74%**	**51,176**	**69%**	**47,439**
Property & Equipment							
Office Furniture	-	0%	-	0%	-	0%	-
Office Fixtures	3,074	10%	307	5%	154	0%	-
Office Equipment	2,008	10%	201	5%	100	0%	-
Autos and Trucks	64	50%	32	40%	26	30%	19
Other Machinery	4	0%	-	0%	-	0%	-
Real Property[3]	111,933	80%	89,547	60%	67,160	40%	44,773
AdCare- Land[3]	1,908	80%	1,526	60%	1,145	40%	763
AdCare - Bldg & Equipment	6,749	80%	5,399	60%	4,049	40%	2,700
Total Property & Equipment	**125,740**	**77%**	**97,013**	**58%**	**72,634**	**38%**	**48,255**
Related Property Tax Claim	**(1,323)**		**(1,323)**		**(1,323)**		**(1,323)**
Total Asset Sales	**193,148**		**150,602**		**122,487**		**94,372**
Website NPV							
AAC 2020P Sales	$201,767						
% of Sales Derived from Website Traffic	40%						
Sales Derived from Website Traffic	80,707						
Pre-Tax Royalty		2.5%	2,018	2.0%	1,614	1.5%	1,211
Tax Rate	25%						
Post Tax Royalty		0%	1,513	0%	1,211	0%	908
Years	5						
Discount Rate	20%						
NPV			**$4,526**		**$3,620**		**$2,715**
Total Liquidation Proceeds			**$155,128**		**$126,107**		**$97,087**
Net Liquidation Expenses							
Wind Down Collections[4]			2,865		2,865		2,865
Less:							
30 Day Facility Cost (May)[5]			11,461		11,461		11,461
Essential Workers[6]			1,382		1,382		1,382
Chapter 7 Trustee Fees[7]			4,654		3,783		2,913
Wind Down Costs[8]			1,000		1,000		1,000
Other			500		500		500
Liquidation Expenses			**18,997**		**18,126**		**17,255**
Net Proceeds Available for Claims			**$138,996**		**$110,847**		**$82,697**
Waterfall:							
Carve-Out Claims[9]		100%	5,684	100%	5,684	100%	5,684
Remaining Proceeds			***133,313***		***105,163***		***77,013***
DIP Lender Claims		100%	69,112	100%	69,112	100%	69,112
Remaining Proceeds			***64,201***		***36,051***		***7,901***

Senior Lender Claims	100%	51,600	70%	51,600	15%	51,600
Remaining Proceeds		***12,600***		**-**		**-**
Junior Lender Claims[(10)]	3%	450,593	0%	450,593	0%	450,593
Remaining Proceeds		**-**		**-**		**-**
Chapter 11 Administrative Claims	0%	16,698	0%	16,698	0%	16,698
Priority Unsecured Claims	0%	5,077	0%	5,077	0%	5,077
General Unsecured Claims	0%	68,276	0%	68,276	0%	68,276
Total Claims		**$667,040**		**$667,040**		**$667,040**

Waterfall Table Footnotes

1. Cash balance based on estimated cash on hand as of November 1, 2020
2. A/R based on June 2020 month end balances. It is expected that there will be collection difficulties on all A/R balances as insurance companies increase claim denials in a bankruptcy situation
3. All real estate values are based on book value as of May 2020. These values are believed to be overstated since they were initially capitalized as on-going concerns. Liquidation estimates include real estate commissions and other sales costs
4. Expected collections from treatment of patients treated during final 30 days prior to shutdown
5. Represents operating costs for all treatment facilities for 30 days while patients are discharging. Although, it is expected that some of these costs can be eliminated in less than 30 days, there will be some costs that will be incurred to shut down the facilities past 30 days
6. Essential wind down workers include members of the Finance, CRMS, and HR groups that will be responsible for the orderly wind-down of the company's affairs. It is assumed that they will be retained on average for 3 months. Costs includes compensation and benefits for that time period
7. Trustee fees are based on 3.0% of total liquidation proceeds
8. Represents costs required beyond the shutdown period including records retention, legal, tax and other costs
9. Represents expected unpaid claims for debtor professionals, UCC professionals, and the U.S. Trustee
10. $10mm PPP loan is assumed to be forgiven prior to any liquidation

Exhibit F

Financial Projections

FINANCIAL PROJECTIONS/BUSINESS PLAN ASSUMPTIONS

The Debtors, in consultation with their professionals, developed the following business plan (the "Financial Projections") for the purposes set forth below. The Financial Projections reflect the Debtors' estimate for results of operations after confirmation of the Joint Chapter 11 Plan of AAC Holdings, Inc. and Its Debtor Affiliates (the "Plan"), based upon the Debtors' assumptions and judgments as to future market and business conditions and expected future operating performance, all of which are subject to change. Actual operating results and values may vary.

Financial Projections

As a condition to confirmation of the plan, the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, the Debtors' management has, through the development of the Financial Projections, analyzed the Debtors' ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct their business subsequent to their emergence from these Chapter 11 Cases. The Financial Projections were prepared to assist those Holders of Allowed Claims entitled to vote on the Plan in determining whether to accept or reject the Plan.

For the purpose of demonstrating Plan feasibility, the Debtors prepared the Financial Projections. The Financial Projections present, to the best of the Debtors' knowledge, potential operating results from November 2020 through 2024 and reflect the Debtors' assumptions and judgments as of the time prepared. These Financial Projections were not prepared to comply with the guidelines for prospective financial statements published by the American Institute of Certified Public Accountants. The Debtors' independent accountants have neither examined nor compiled the accompanying projections and accordingly do not express an opinion or any other form of assurance with respect to the Financial Projections, assume no responsibility for the Financial Projections, and disclaim any association with the Financial Projections.

The Debtors believe that the Financial Projections represent the most probable range of operating and financial results and that the estimates and assumptions underlying the projections are reasonable. The estimates and assumptions may not be realized, however, and are inherently subject to significant business, regulatory, economic, and competitive uncertainties and contingencies, many of which are beyond the Debtors' control. No representations can be or are made as to whether the actual results will be within the range set forth in the Financial Projections. Some assumptions inevitably will not materialize, and events and circumstances occurring subsequent to the date on which the Financial Projections were prepared may be different from those assumed or may be unanticipated, and therefore may affect financial results in a material and possibly adverse manner.

Scope of Financial Projections

The Financial Projections are based on the assumption that the Effective Date will occur on or about November 1, 2020. If the Effective Date is significantly delayed, additional expenses,

including professional fees, may be incurred and operating results may be negatively impacted. It is also assumed that the reorganized Debtors will conduct operations substantially similar to their current business. The Financial Projections do not fully reflect the application of fresh start accounting.

The Financial Projections are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially include, but are not limited to: the ability of the reorganized Debtors to operate their business consistent with their projections generally, including the ability to maintain or increase revenue and cash flow to satisfy their liquidity needs, service their indebtedness and finance the ongoing obligations of their business, and to manage their future operating expenses and make necessary capital expenditures; the ability of the reorganized Debtors to comply with the covenants and conditions under their credit facilities; the loss or material downtime of major suppliers; increases in production and payroll expenses; the reorganized Debtors' ability to attract and maintain key executives, managers and employees; and changes in general domestic and international political conditions.

5-Year Business Plan Assumptions

The 5-year AAC business plan is based upon management's plans and initiatives currently being implemented or expected to be implemented during the projection periods. The most significant of these initiatives is increasing the percentage of patients admitted and treated by the Company's facilities under new In-Network ("INN") contracts with some of the nations largest insurers

The Company expects these plans to significantly increase revenue growth in the near term, while at the same time creating a long-term sustainable source of high quality admissions that will not only increase Average Daily Census ("ADC") but also increase Average Daily Revenue ("ADR"), at the same time

- **ADR:** INN contracts are expected to improve ADR as they require the patient to fund a smaller portion of the total treatment cost through lower deductibles and co-pays, which in turn shift a greater portion of the patient's treatment cost to the INN insurance company, resulting in higher total collections from a patient treatment
  - The impact of the improving ADR is reflected in 2H 2020 corresponding with the signing of new INN contracts with additional INN contracts expected to be signed in the near term. Beginning in Q1 2022, all new INN contracts are expected to have been implemented and ADR in future periods is projected to grow at a COLA rate
- **ADC:** INN contracts is also expected to provide a more stable and sustainable flow of admissions due to the Company being a part of the several large insurance company's treatment networks as well as more favorable out of pocket cost to prospective patient vs. out of network patients
  - ADC is projected to grow until the end of calendar year 2023, after which time the Company expects to have reached its maximum daily patient treatment capacity at all its facilities and accordingly, future revenue growth is largely being driven by increases in ADR

- Overall operating expenses are projected to grow in line with expected annual inflation increases with the exception of two line items:
  - Client related expenses and the operating expenses line items are projected to grow variably in line with the planned census growth projected throughout the business plan

P&L – BK Emergence through 2021

$ in 000's	Proj. Nov-20	Proj. Dec-20	Proj. Jan-21	Proj. Feb-21	Proj. Mar-21	Proj. Apr-21	Proj. May-21	Proj. Jun-21	Proj. Jul-21	Proj. Aug-21	Proj. Sep-21	Proj. Oct-21	Proj. Nov-21	Proj. Dec-21	Proj. FY21
Revenue	**$17,061**	**$16,946**	**$17,971**	**$17,141**	**$19,381**	**$19,047**	**$19,901**	**$19,532**	**$20,615**	**$20,847**	**$20,473**	**$21,045**	**$19,386**	**$18,988**	**$234,326**
Operating Expenses															
Salaries, Wages, & Benefits	10,963	11,328	11,219	10,585	11,839	11,309	11,692	11,355	11,649	11,660	11,335	11,864	10,929	10,705	136,139
Client Related Expenses	2,027	1,915	1,953	1,843	2,061	2,004	2,072	2,012	2,102	2,104	2,045	2,103	1,937	1,897	24,135
Advertising Expenses	465	466	456	431	482	468	484	470	491	492	478	491	453	443	5,640
Professional Fees	551	545	495	467	522	508	525	510	533	533	518	533	491	481	6,114
Operating Expenses	2,604	2,578	2,659	2,509	2,806	2,728	2,821	2,740	2,862	2,864	2,785	2,862	2,637	2,583	32,856
Rentals & Leases	519	519	519	519	519	519	519	519	519	519	519	519	519	519	6,224
Depreciation Expense	576	572	668	632	713	695	722	704	739	743	725	748	693	681	8,465
Amortization of Intangible Assets	141	141	141	141	141	126	126	126	126	126	126	126	126	126	1,561
Total Operating Expenses	**17,846**	**18,065**	**18,111**	**17,126**	**19,083**	**18,358**	**18,962**	**18,437**	**19,020**	**19,041**	**18,531**	**19,247**	**17,783**	**17,435**	**221,134**
Operating Income	**(784)**	**(1,119)**	**(140)**	**15**	**298**	**689**	**940**	**1,095**	**1,594**	**1,806**	**1,942**	**1,798**	**1,602**	**1,553**	**13,192**
Non-Operating Income															
Other Income	63	63	63	63	63	64	64	64	65	65	65	65	65	65	771
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Total Non-Operating Income	**63**	**63**	**64**	**64**	**64**	**64**	**64**	**64**	**65**	**65**	**65**	**65**	**65**	**65**	**774**
Non-Operating Expenses															
Other Expenses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(9)
Interest Expense	1,762	1,762	1,865	1,846	1,881	1,941	1,930	1,936	1,979	1,964	1,963	2,002	1,979	1,975	23,259
Income Tax Expense	-	-	-	-	-	84	135	169	271	315	345	313	277	267	2,174
Total Non-Operating Expenses	**1,762**	**1,762**	**1,864**	**1,845**	**1,880**	**2,025**	**2,064**	**2,104**	**2,249**	**2,278**	**2,307**	**2,314**	**2,255**	**2,241**	**25,425**
Net Income	**(2,483)**	**(2,817)**	**(1,941)**	**(1,767)**	**(1,518)**	**(1,272)**	**(1,060)**	**(945)**	**(590)**	**(407)**	**(300)**	**(450)**	**(587)**	**(623)**	**(11,460)**
EBITDA	**($4)**	**($341)**	**$733**	**$852**	**$1,216**	**$1,575**	**$1,853**	**$1,990**	**$2,525**	**$2,741**	**$2,858**	**$2,739**	**$2,487**	**$2,427**	**$23,997**

P&L – 2022 through 2024

$ in 000's	Proj. Q1-22	Proj. Q2-22	Proj. Q3-22	Proj. Q4-22	Proj. Q1-23	Proj. Q2-23	Proj. Q3-23	Proj. Q4-23	Proj. Q1-24	Proj. Q2-24	Proj. Q3-24	Proj. Q4-24	Proj. FY22	Proj. FY23	Proj. FY24
Revenue	**$57,873**	**$61,205**	**$62,639**	**$58,591**	**$59,995**	**$62,150**	**$63,395**	**$60,378**	**$61,587**	**$63,535**	**$64,750**	**$61,596**	**$240,308**	**$245,918**	**$251,468**
Operating Expenses															
Salaries, Wages, & Benefits	33,215	35,128	35,295	33,628	34,163	35,390	35,428	34,381	34,353	35,439	35,432	34,358	137,267	139,362	139,581
Client Related Expenses	5,994	6,339	6,488	6,069	6,121	6,341	6,468	6,160	6,153	6,348	6,469	6,154	24,890	25,090	25,124
Advertising Expenses	1,401	1,481	1,516	1,418	1,467	1,520	1,551	1,477	1,506	1,554	1,584	1,507	5,816	6,015	6,151
Professional Fees	1,419	1,456	1,494	1,387	1,377	1,432	1,464	1,387	1,418	1,468	1,498	1,418	5,756	5,661	5,802
Operating Expenses	8,160	8,630	8,832	8,261	8,549	8,856	9,033	8,603	8,678	8,953	9,124	8,679	33,884	35,042	35,433
Rentals & Leases	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	6,224	6,224	6,224
Depreciation Expense	2,170	2,319	2,398	2,277	2,379	2,486	2,559	2,474	2,546	2,645	2,717	2,627	9,164	9,897	10,535
Amortization of Intangible Assets	379	379	357	312	312	307	307	307	307	301	301	301	1,428	1,233	1,211
Total Operating Expenses	**54,294**	**57,289**	**57,936**	**54,908**	**55,925**	**57,888**	**58,366**	**56,345**	**56,516**	**58,263**	**58,681**	**56,600**	**224,428**	**228,524**	**230,060**
Operating Income	**3,579**	**3,916**	**4,703**	**3,682**	**4,070**	**4,262**	**5,029**	**4,033**	**5,070**	**5,272**	**6,069**	**4,996**	**15,880**	**17,394**	**21,407**
Non-Operating Income															
Other Income	198	200	202	204	206	208	210	212	214	216	218	221	803	835	869
Interest Income	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2
Total Non-Operating Income	**198**	**200**	**202**	**204**	**206**	**208**	**210**	**213**	**215**	**217**	**219**	**221**	**805**	**838**	**872**
Non-Operating Expenses															
Other Expenses	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(9)	(9)	(10)
Interest Expense	5,894	6,006	6,091	6,175	6,287	6,413	6,541	6,672	6,806	6,942	7,081	7,222	24,166	25,914	28,050
Income Tax Expense	793	865	1,030	817	898	939	1,101	892	1,110	1,153	1,321	1,096	3,505	3,830	4,680
Total Non-Operating Expenses	**6,685**	**6,869**	**7,119**	**6,989**	**7,183**	**7,350**	**7,640**	**7,562**	**7,913**	**8,092**	**8,399**	**8,316**	**27,663**	**29,735**	**32,720**
Net Income	**(2,909)**	**(2,753)**	**(2,214)**	**(3,102)**	**(2,907)**	**(2,879)**	**(2,400)**	**(3,317)**	**(2,629)**	**(2,604)**	**(2,111)**	**(3,099)**	**(10,978)**	**(11,503)**	**(10,442)**
EBITDA	**$6,328**	**$6,816**	**$7,662**	**$6,478**	**$6,969**	**$7,265**	**$8,107**	**$7,028**	**$8,139**	**$8,437**	**$9,308**	**$8,147**	**$27,284**	**$29,369**	**$34,031**

Oct-20 Balance Sheet Assumptions

Line Item	Balance	Notes
Cash	$6,105	Assumed DIP Budget ending cash of $4,909 Plus: $4,500 cumulative favorable variance in DIP operating disbursements Plus: $1,000 cumulative favorable variance in DIP receipts Less: $562 payment of priming facility default interest Less: $1,000 of wind down costs Less: $1,000 of additional administrative claims Less: $1,742 tax refund variance to DIP budget
Accounts Receivable	35,273	~67 day DSO on approximately $16 million of monthly revenue
Prepaid & Other	10,020	$400 of utility deposits $2,938 cash collateralization of LC's $4,322 of D&O insurance pre-payment $1,000 of assumed other insurance pre-payments $1,360 of IRS refund receceivable
Property, Plant, & Equipment	148,037	Carryover from previous balance sheet
Intangible Assets	7,313	Carryover from previous balance sheet
Other Assets	20,923	Right of use assets and other deposits
Accounts Payable	6,166	Assumes one month of cash paid operating expenses (less salaries, wages, & benefits)
Accrued Expenses	5,664	Assumes 50% of one month of salaries, wages, and benefits
Workers' Comp. & Medical Claims Accrual	2,690	Carryover from previous balance sheet
Accrued PTO	4,097	Carryover from previous balance sheet
Patient Guarantee Liability	750	Carryover from previous balance sheet
Notes Payable	117,499	DIP loan with PIK and exit fee & priming loans with exit fee
Lease Liability	54,673	Right of use and sale lease back leases

Balance Sheet – BK Emergence through 2021

$ in 000's	Proj. Oct-20	Proj. Nov-20	Proj. Dec-20	Proj. Jan-21	Proj. Feb-21	Proj. Mar-21	Proj. Apr-21	Proj. May-21	Proj. Jun-21	Proj. Jul-21	Proj. Aug-21	Proj. Sep-21	Proj. Oct-21	Proj. Nov-21	Proj. Dec-21
Assets															
Current Assets															
Cash & Cash Equivalents	$6,105	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Accounts Receivable, net	35,273	38,478	36,986	39,222	41,420	42,299	42,956	43,435	44,050	44,992	45,499	46,171	45,932	43,721	41,442
Prepaid & Other	10,020	9,616	9,179	8,921	8,278	8,379	7,857	7,618	7,090	6,900	6,511	5,986	6,115	5,740	4,290
Total Current Assets	**51,398**	**58,094**	**56,165**	**58,143**	**59,698**	**60,678**	**60,813**	**61,053**	**61,140**	**61,892**	**62,011**	**62,157**	**62,047**	**59,461**	**55,732**
Property, Plant & Equipment	148,037	147,641	147,249	146,760	146,308	145,776	145,260	144,718	144,193	143,634	143,072	142,527	141,958	141,446	140,944
Intangible Assets, net	7,313	7,172	7,031	6,890	6,749	6,608	6,481	6,355	6,228	6,102	5,975	5,849	5,722	5,596	5,470
Right of Use and Other	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923
Total Assets	**227,670**	**233,830**	**231,367**	**232,716**	**233,678**	**233,984**	**233,477**	**233,048**	**232,484**	**232,551**	**231,980**	**231,455**	**230,650**	**227,425**	**223,069**
Liabilities & Equity															
Current Liabilities															
Post-Petition Accounts Payable	6,166	6,166	6,023	6,083	5,768	6,390	6,227	6,421	6,251	6,506	6,512	6,345	6,508	6,036	5,922
Post-Petition Accrued Expenses	5,664	5,481	5,664	5,610	5,293	5,920	5,654	5,846	5,678	5,824	5,830	5,667	5,932	5,464	5,352
Workers' Comp. & Medical Claims Accrual	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690
Accrued PTO	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097
Patient Guarantee Liability	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
Revolver	-	8,824	7,390	10,674	14,035	12,226	13,418	13,664	11,951	12,205	12,031	9,654	8,872	7,173	1,134
Total Current Liabilities	**19,367**	**28,009**	**26,614**	**29,904**	**32,633**	**32,073**	**32,837**	**33,469**	**31,417**	**32,073**	**31,910**	**29,204**	**28,849**	**26,211**	**19,946**
Notes Payable	117,499	117,499	119,248	119,248	119,248	121,633	121,633	121,633	124,066	124,066	124,066	126,547	126,547	126,547	129,078
Lease Liabilities	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673
Total Liabilities	**191,539**	**200,181**	**200,536**	**203,825**	**206,554**	**208,379**	**209,144**	**209,775**	**210,156**	**210,812**	**210,649**	**210,424**	**210,069**	**207,431**	**203,697**
Total Equity	**36,131**	**33,649**	**30,832**	**28,891**	**27,124**	**25,605**	**24,333**	**23,273**	**22,328**	**21,739**	**21,331**	**21,031**	**20,581**	**19,994**	**19,371**
Total Liabilities & Equity	**$227,670**	**$233,830**	**$231,367**	**$232,716**	**$233,678**	**$233,984**	**$233,477**	**$233,048**	**$232,484**	**$232,551**	**$231,980**	**$231,455**	**$230,650**	**$227,425**	**$223,069**

Balance Sheet – 2022 through 2024

$ in 000's	Proj. Q1-22	Proj. Q2-22	Proj. Q3-22	Proj. Q4-22	Proj. Q1-23	Proj. Q2-23	Proj. Q3-23	Proj. Q4-23	Proj. Q1-24	Proj. Q2-24	Proj. Q3-24	Proj. Q4-24
Assets												
Current Assets												
Cash & Cash Equivalents	$10,000	$10,000	$10,971	$17,767	$15,638	$16,707	$19,166	$25,255	$24,134	$26,085	$29,169	$36,011
Accounts Receivable, net	44,526	45,945	46,254	40,587	45,413	46,503	46,814	42,244	46,613	47,441	47,815	43,097
Prepaid & Other	4,778	4,772	4,804	4,356	4,925	4,881	4,913	4,582	4,999	4,924	4,963	4,622
Total Current Assets	**59,304**	**60,716**	**62,029**	**62,710**	**65,976**	**68,091**	**70,894**	**72,081**	**75,746**	**78,450**	**81,947**	**83,730**
Property, Plant & Equipment	139,315	137,536	135,677	133,940	132,102	130,156	128,137	126,203	124,198	122,093	119,916	117,829
Intangible Assets, net	5,090	4,711	4,353	4,041	3,729	3,422	3,115	2,808	2,501	2,200	1,898	1,597
Right of Use and Other	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923	20,923
Total Assets	**224,632**	**223,885**	**222,983**	**221,614**	**222,729**	**222,591**	**223,068**	**222,015**	**223,367**	**223,666**	**224,684**	**224,078**
Liabilities & Equity												
Current Liabilities												
Post-Petition Accounts Payable	6,487	6,479	6,519	5,955	6,595	6,540	6,580	6,168	6,678	6,584	6,633	6,210
Post-Petition Accrued Expenses	5,854	5,846	5,778	5,337	5,924	5,871	5,800	5,511	5,956	5,867	5,801	5,507
Workers' Comp. & Medical Claims Accrual	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690
Accrued PTO	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097
Patient Guarantee Liability	750	750	750	750	750	750	750	750	750	750	750	750
Revolver	1,957	1,347	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**21,836**	**21,209**	**19,835**	**18,829**	**20,057**	**19,948**	**19,918**	**19,216**	**20,172**	**19,989**	**19,971**	**19,254**
Notes Payable	131,660	134,293	136,979	139,718	142,513	145,363	148,270	151,236	154,260	157,345	160,492	163,702
Lease Liabilities	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673	54,673
Total Liabilities	**208,169**	**210,175**	**211,487**	**213,220**	**217,243**	**219,984**	**222,861**	**225,125**	**229,105**	**232,007**	**235,136**	**237,629**
Total Equity	**16,463**	**13,710**	**11,496**	**8,394**	**5,487**	**2,607**	**207**	**(3,109)**	**(5,738)**	**(8,342)**	**(10,453)**	**(13,551)**
Total Liabilities & Equity	**$224,632**	**$223,885**	**$222,983**	**$221,614**	**$222,729**	**$222,591**	**$223,068**	**$222,015**	**$223,367**	**$223,666**	**$224,684**	**$224,078**

Statement of Cash Flows – BK Emergence through 2021

$ in 000's	Proj. Nov-20	Proj. Dec-20	Proj. Jan-21	Proj. Feb-21	Proj. Mar-21	Proj. Apr-21	Proj. May-21	Proj. Jun-21	Proj. Jul-21	Proj. Aug-21	Proj. Sep-21	Proj. Oct-21	Proj. Nov-21	Proj. Dec-21	Proj. FY21
Cash Provided by Operating Activities															
Net Income / (Loss)	**($2,483)**	**($2,817)**	**($1,941)**	**($1,767)**	**($1,518)**	**($1,272)**	**($1,060)**	**($945)**	**($590)**	**($407)**	**($300)**	**($450)**	**($587)**	**($623)**	**($11,460)**
Adjustments:															
Depreciation & Amortization	716	713	809	773	854	822	849	831	866	869	851	875	819	808	10,026
PIK / Non-Cash Interest	-	1,749	-	-	2,385	-	-	2,433	-	-	2,481	-	-	2,531	9,830
Changes in Working Capital:															
Accounts Receivable	(3,205)	1,493	(2,237)	(2,198)	(879)	(656)	(480)	(615)	(942)	(507)	(672)	240	2,211	2,278	(4,456)
Prepaid Expenses and Other Assets	404	436	259	643	(101)	522	239	528	190	388	526	(129)	375	1,450	4,889
Accounts Payable	1	(143)	59	(315)	622	(163)	193	(170)	255	6	(167)	163	(472)	(113)	(101)
Accrued and Other Current Liabilities	(183)	183	(54)	(317)	627	(265)	192	(168)	147	6	(163)	265	(468)	(112)	(312)
Total Cash Provided by Operating Activities	**(4,749)**	**1,614**	**(3,104)**	**(3,181)**	**1,989**	**(1,013)**	**(66)**	**1,893**	**(74)**	**354**	**2,556**	**963**	**1,878**	**6,219**	**8,416**
Cash Flows Provided by Investing Activities															
Purchase of Property Plant & Equipment	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(2,160)
Total Cash Flows Provided by Investing Activities	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(180)**	**(2,160)**
Cash Flows Provided by Financing Activities															
Revolver Draw / (Paydown)	8,824	(1,434)	3,284	3,361	(1,809)	1,193	246	(1,713)	254	(174)	(2,376)	(783)	(1,698)	(6,039)	(6,256)
Total Cash Provided by Financing Activities	**8,824**	**(1,434)**	**3,284**	**3,361**	**(1,809)**	**1,193**	**246**	**(1,713)**	**254**	**(174)**	**(2,376)**	**(783)**	**(1,698)**	**(6,039)**	**(6,256)**
Cash & Cash Equivalents, Beginning of Period	$6,105	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Total Change in Cash & Cash Equivalents	3,895	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents, End of Period	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**

Statement of Cash Flows – 2022 through 2024

$ in 000's	Proj. Q1-22	Proj. Q2-22	Proj. Q3-22	Proj. Q4-22	Proj. Q1-23	Proj. Q2-23	Proj. Q3-23	Proj. Q4-23	Proj. Q1-24	Proj. Q2-24	Proj. Q3-24	Proj. Q4-24	Proj. FY22	Proj. FY23	Proj. FY24
Cash Provided by Operating Activities															
Net Income / (Loss)	**($2,909)**	**($2,753)**	**($2,214)**	**($3,102)**	**($2,907)**	**($2,879)**	**($2,400)**	**($3,317)**	**($2,629)**	**($2,604)**	**($2,111)**	**($3,099)**	**($10,978)**	**($11,503)**	**($10,442)**
Adjustments:															
Depreciation & Amortization	2,549	2,698	2,756	2,589	2,691	2,793	2,866	2,781	2,853	2,946	3,018	2,928	10,592	11,130	11,745
PIK / Non-Cash Interest	2,582	2,633	2,686	2,740	2,794	2,850	2,907	2,965	3,025	3,085	3,147	3,210	10,640	11,517	12,467
Changes in Working Capital:															
Accounts Receivable	(3,084)	(1,419)	(309)	5,667	(4,826)	(1,090)	(312)	4,570	(4,369)	(828)	(374)	4,718	855	(1,658)	(853)
Prepaid Expenses and Other Assets	(488)	7	(32)	448	(570)	45	(33)	332	(417)	75	(39)	341	(65)	(226)	(40)
Accounts Payable	565	(9)	40	(564)	640	(55)	41	(413)	510	(94)	48	(423)	32	213	42
Accrued and Other Current Liabilities	502	(8)	(68)	(442)	588	(54)	(70)	(289)	446	(90)	(66)	(294)	(16)	174	(4)
Total Cash Provided by Operating Activities	**(283)**	**1,150**	**2,858**	**7,336**	**(1,589)**	**1,609**	**2,999**	**6,629**	**(581)**	**2,491**	**3,624**	**7,382**	**11,061**	**9,648**	**12,916**
Cash Flows Provided by Investing Activities															
Purchase of Property Plant & Equipment	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(540)	(2,160)	(2,160)	(2,160)
Total Cash Flows Provided by Investing Activities	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(540)**	**(2,160)**	**(2,160)**	**(2,160)**
Cash Flows Provided by Financing Activities															
Revolver Draw / (Paydown)	823	(610)	(1,347)	-	-	-	-	-	-	-	-	-	(1,134)	-	-
Total Cash Provided by Financing Activities	**823**	**(610)**	**(1,347)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,134)**	**-**	**-**
Cash & Cash Equivalents, Beginning of Period	$10,000	$10,000	$10,000	$10,971	$17,767	$15,638	$16,707	$19,166	$25,255	$24,134	$26,085	$29,169	$10,000	$17,767	$25,255
Total Change in Cash & Cash Equivalents	(0)	-	971	6,796	(2,129)	1,069	2,459	6,089	(1,121)	1,951	3,084	6,842	7,767	7,488	10,756
Cash & Cash Equivalents, End of Period	**$10,000**	**$10,000**	**$10,971**	**$17,767**	**$15,638**	**$16,707**	**$19,166**	**$25,255**	**$24,134**	**$26,085**	**$29,169**	**$36,011**	**$17,767**	**$25,255**	**$36,011**